

110TH CONGRESS
1ST SESSION

H. R. 3421

To amend the Truth in Lending Act to prohibit universal defaults on credit card accounts and to require minimum payment disclosures for accounts under an open end consumer credit plan, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 2007

Mrs. LOWEY introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Truth in Lending Act to prohibit universal defaults on credit card accounts and to require minimum payment disclosures for accounts under an open end consumer credit plan, 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 “Credit Protection Act
5 of 2007”.

1 **SEC. 2. PROHIBIT UNIVERSAL DEFAULTS ON CREDIT CARD**
2 **ACCOUNTS.**

3 Section 127 of the Truth in Lending Act (15 U.S.C.
4 1637) is amended by adding at the end the following new
5 subsection:

6 “(i) UNIVERSAL DEFAULTS PROHIBITED.—No cred-
7 itor may use any adverse information concerning any con-
8 sumer, including any information in any consumer report
9 (as defined in section 603) or any change in the credit
10 score of the consumer, as the basis for increasing any an-
11 nual percentage rate of interest or introductory annual
12 percentage rate of interest applicable to a credit card ac-
13 count of the consumer under an open end consumer credit
14 plan for reasons other than actions or omissions of the
15 consumer that are directly related to such account.”.

16 **SEC. 3. MINIMUM PAYMENT DISCLOSURES.**

17 (a) IN GENERAL.—Section 127(b) of the Truth in
18 Lending Act (15 U.S.C. 1637(b)) is amended by adding
19 at the end the following new paragraph:

20 “(13) MINIMUM PAYMENT DISCLOSURES.—Any
21 other repayment information the Board determines
22 to be appropriate, including the following:

23 “(A) The required minimum monthly pay-
24 ment on the outstanding balance in the account
25 at the end of the period, represented as both a

1 dollar amount and as a percentage of the out-
2 standing balance.

3 “(B) The number of months that it would
4 take to pay the entire amount of the current
5 outstanding balance at the current applicable
6 annual percentage rate if only the required min-
7 imum monthly payment is paid and no further
8 charges are made.

9 “(C) The total cost to the consumer to pay
10 the remaining balance at the current applicable
11 annual percentage rate if only the required min-
12 imum monthly payment is paid and no further
13 charges are made.”.

14 (b) **FORMAT FOR DISCLOSURES.**—Section 122 of the
15 Truth in Lending Act (15 U.S.C. 1632) is amended by
16 adding at the end the following new subsection:

17 “(d) **TABULAR FORMAT REQUIRED FOR CERTAIN**
18 **DISCLOSURES UNDER SECTION 127(b)(13).**—The infor-
19 mation required to be included in a periodic statement
20 under section 127(b)(13) shall—

21 “(1) be disclosed in a tabular format in the
22 form and manner which the Board shall prescribe by
23 regulations;

24 “(2) appear in at least 10-point type; and

- 1 “(3) be placed in a conspicuous and prominent
- 2 location on the first page of the statement.”.

