

111TH CONGRESS
1ST SESSION

H. R. 2794

To amend the Truth in Lending Act to prohibit prepayment penalties, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2009

Ms. FUDGE introduced the following bill; which was referred to the Committee
on Financial Services

A BILL

To amend the Truth in Lending Act to prohibit prepayment
penalties, 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 “Promoting Mortgage
5 Responsibility Act”.

6 **SEC. 2. PROHIBITION ON PREPAYMENT PENALTIES.**

7 The Truth in Lending Act (15 U.S.C. 1601 et seq.)
8 is amended by inserting after section 129A the following
9 new section:

1 **“SEC. 129B. PROHIBITION ON PREPAYMENT PENALTIES.**

2 “(a) IN GENERAL.—No prepayment fees or penalties
3 may be charged or collected under the terms of any con-
4 sumer credit transaction secured by an owner-occupied
5 principal dwelling of the consumer.

6 “(b) UNENFORCEABLE.—Any prepayment penalty in
7 violation of subsection (a) shall be unenforceable.”.

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