

111TH CONGRESS
1ST SESSION

S. 911

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

IN THE SENATE OF THE UNITED STATES

APRIL 28, 2009

Mr. MERKLEY introduced the following bill; which was read twice and referred
to the Committee on Banking, Housing, and Urban Affairs

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 “**No prepayment fees or penalties shall be charged**
3 **or collected under the terms of any consumer credit trans-**
4 **action secured by an owner-occupied principal dwelling of**
5 **the consumer. Any prepayment penalty in violation of this**
6 **section shall be unenforceable.”.**

○