

112TH CONGRESS
2D SESSION

H. R. 4084

To amend the Truth in Lending Act to establish a national usury rate for consumer credit card accounts under open end consumer credit plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 17, 2012

Mr. TIERNEY (for himself, Ms. SLAUGHTER, Mr. DEFazio, Mr. GEORGE MILLER of California, Mr. MCGOVERN, Mr. JACKSON of Illinois, Mr. VISCLOSKEY, Mr. KUCINICH, Mr. WELCH, Ms. KAPTUR, Ms. SCHAKOWSKY, Ms. HIRONO, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, 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 the Truth in Lending Act to establish a national usury rate for consumer credit card accounts under open end consumer credit plans, 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 “Restoring America’s
5 Commitment to Consumers Act of 2012”.

1 **SEC. 2. NATIONAL CREDIT CARD USURY RATE.**

2 Section 107 of the Truth in Lending Act (15 U.S.C.
3 1606) is amended by adding at the end the following new
4 subsection:

5 “(f) NATIONAL CONSUMER CREDIT USURY RATE.—

6 “(1) LIMITATION ESTABLISHED.—Except as
7 provided in paragraph (3) and notwithstanding sub-
8 section (a) or any other provision of law, the annual
9 percentage rate applicable to any extension of credit
10 under, or any outstanding balance on, any credit
11 card account under an open end consumer credit
12 plan may not exceed 16 percent.

13 “(2) INCLUSION OF CERTAIN FEES IN DETER-
14 MINING APR.—In determining the annual percentage
15 rate applicable to any extension of credit under, or
16 any outstanding balance on, any credit card account
17 under an open end consumer credit plan for pur-
18 poses of paragraph (1), any fee compensating a
19 creditor or prospective creditor for opening or main-
20 taining the account or for an extension of credit or
21 making available a line of credit, such as a member-
22 ship fee, or an annual fee shall be included in the
23 finance charge for purposes of section 107.

24 “(3) ADJUSTMENTS.—

25 “(A) IN GENERAL.—Subject to paragraphs
26 (4) and (6), the Board may make adjustments

1 to the maximum annual percentage rate limita-
2 tion under paragraph (1) when any such adjust-
3 ment is in the public interest and economic con-
4 ditions warrant to the extent the limitation,
5 after the adjustment, continues to fully protect
6 consumers from exploitive and unreasonable
7 lending practices.

8 “(B) PRESUMPTION CONCERNING IN-
9 CREASES.—Any increase in the maximum an-
10 nual percentage rate limitation under para-
11 graph (1) shall be presumed to not be in the
12 public interest unless the Board determines,
13 after opportunity for comment, that severe eco-
14 nomic conditions exist to justify an increase in
15 such limitation, taking into account the pre-
16 vailing bank prime rates, the rates in effect for
17 overnight loans to member banks (as defined in
18 section 3 of the Federal Deposit Insurance Act)
19 and statistical information the Board deter-
20 mines to be relevant.

21 “(4) NOTICE TO THE CONGRESS.—Upon mak-
22 ing any adjustment to the maximum annual percent-
23 age rate limitation in effect under paragraph (1),
24 the Board shall promptly submit a notice of such ad-
25 justment to the Congress.

1 “(5) HEARING.—

2 “(A) IN GENERAL.—After receipt by the
3 House of Representatives of a notice from the
4 Board pursuant to paragraph (4) of an adjust-
5 ment to the maximum annual percentage rate
6 limitation in effect under paragraph (1), the
7 Committee on Financial Services of the House
8 of Representatives shall promptly conduct a
9 hearing on such adjustment.

10 “(B) RULES OF HOUSE OF REPRESENTA-
11 TIVES.—The provisions of subparagraph (A)
12 are enacted—

13 “(i) as an exercise of the rulemaking
14 power of the House of Representatives,
15 and, as such, they shall be considered as
16 part of the rules of the House, and such
17 rules shall supersede any other rule of the
18 House only to the extent that rule is incon-
19 sistent therewith; and

20 “(ii) with full recognition of the con-
21 stitutional right of the House to change
22 such rules (so far as relating to the proce-
23 dure in the House) at any time, in the
24 same manner, and to the same extent as in
25 the case of any other rule of the House.

1 “(6) DELAYED EFFECTIVE DATE OF ANY IN-
2 CREASE.—An increase, in accordance with para-
3 graph (3)(B), in the maximum annual percentage
4 rate limitation under paragraph (1)—

5 “(A) may not take effect before the end of
6 the 90-day period beginning on the date the no-
7 tice to the Congress is submitted by the Board
8 under paragraph (4); and

9 “(B) shall cease to be effective as of the
10 date of the enactment of a joint resolution with
11 respect to such increase.

12 “(7) CLARIFICATION OF CONGRESSIONAL IN-
13 TENT.—

14 “(A) NO ENDORSEMENT OF 16 PERCENT
15 CREDIT CARD RATES.—No provision of this
16 subsection may be construed as an endorsement
17 by Congress of an interest rate of 16 percent on
18 credit card accounts to which paragraph (1) ap-
19 plies.

20 “(B) RATES MOST ADVANTAGEOUS TO THE
21 BORROWER.—It is the intention of the Congress
22 in enacting this subsection that—

23 “(i) the maximum annual percentage
24 rate limitation under paragraph (1) should
25 merely serve as a ceiling on the annual

percentage rate applicable consumer credit cards and few, if any, consumer credit card accounts would ever bear the maximum rate; and

“(ii) consumer credit card issuers should strive to maintain the rates on consumer credit card accounts that are the most advantageous to borrowers.

“(8) UNFAIR AND DECEPTIVE ACT OR PRACTICE.—In the case of any credit card account under an open end consumer credit plan which, as of February 8, 2012, bears an annual percentage rate that is less than 16 percent, any increase in the annual percentage on such account during the period beginning on February 8, 2012, and ending at the end of the 60-day period beginning on the date of the enactment of the Restoring America’s Commitment to Consumers Act of 2012 shall be treated by the agency with jurisdiction over the creditor under section 108 as an unfair or deceptive act or practice.

“(9) DEFINITION.—In this subsection, the term ‘joint resolution’ means only a joint resolution—

“(A) which does not have a preamble;

“(B) the title of which is as follows: ‘Joint resolution relating to the increase in the inter-

1 est rates on credit card accounts pursuant to
 2 section 107(f)(3) of the Truth in Lending Act.’;
 3 and

4 “(C) the sole matter after the resolving
 5 clause of which is as follows: ‘That the Con-
 6 gress disapproves of any increase, pursuant to
 7 section 107(f)(3) in the maximum annual per-
 8 centage rate limitation applicable to any exten-
 9 sion of credit under, or any outstanding balance
 10 on, any credit card account under an open end
 11 consumer credit plan, notice of which was
 12 transmitted to the Congress on _____ by
 13 the Board of Governors of the Federal Reserve
 14 System’, the blank space being filled with the
 15 appropriate date.”.

16 **SEC. 3. CAP ON CERTAIN CREDIT CARD ACCOUNT FEES.**

17 (a) IN GENERAL.—Chapter 3 of the Truth in Lend-
 18 ing Act (15 U.S.C. 1661 et seq.) is amended by inserting
 19 after section 150 (as added by section 109(a) of the Credit
 20 Card Accountability Responsibility and Disclosure Act of
 21 2009) the following new section:

22 **“SEC. 151. CAP ON CERTAIN CREDIT CARD ACCOUNT FEES.**

23 “(a) IN GENERAL.—Except as provided in subsection
 24 (b), the amount of any fee that a card issuer may impose
 25 with respect to a credit card account under an open end

1 consumer credit plan, including any fee for default or
 2 breach by a borrower of a condition upon which credit was
 3 extended, such as a late fee, creditor-imposed not suffi-
 4 cient funds fee charged when a borrower tenders payment
 5 on a debt with a check drawn on insufficient funds, over-
 6 draft fee, and over-the-limit transaction fee, or other
 7 charge that a card issuer may impose with respect to a
 8 credit card account under an open end consumer credit
 9 plan may not exceed \$15.

10 “(b) EXCEPTION FOR FEES TAKEN INTO ACCOUNT
 11 UNDER SECTION 107(f)(2).—Subsection (a) shall not
 12 apply with respect to any fee taken into account pursuant
 13 to subsection (f)(2) of section 107.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 for chapter 3 of the Truth in Lending Act is amended
 16 by inserting after the item relating to section 150 (as
 17 added by section 109(b) of the Credit Card Accountability
 18 Responsibility and Disclosure Act of 2009) the following
 19 new item:

“151. Cap on certain credit card account fees.”.

20 **SEC. 4. CLARIFICATION OF COORDINATION WITH STATE**
 21 **LAW.**

22 The first sentence of section 111(a)(1) of the Truth
 23 in Lending Act (15 U.S.C. 1610(a)(1)) is amended by

1 striking “the disclosure of information in connection
2 with”.

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