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114TH CONGRESS
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H. R. 3850

To provide for additional protections and disclosures to consumers when financial products or services are related to the consumers' military or Federal pensions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2015

Mr. CARTWRIGHT (for himself, Mr. CONNOLLY, Mr. BLUMENAUER, Ms. BROWNLEY of California, Mr. CONYERS, Mr. CUMMINGS, Mr. DELANEY, Ms. EDWARDS, Ms. FRANKEL of Florida, Mr. GARAMENDI, Ms. JACKSON LEE, Ms. KAPTUR, Ms. KELLY of Illinois, Mrs. KIRKPATRICK, Mr. LANGEVIN, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. LYNCH, Ms. NORTON, Mr. POCAN, Mr. TAKANO, Mr. THOMPSON of Mississippi, Ms. TSONGAS, Mr. VAN HOLLEN, Ms. SCHAKOWSKY, and Mr. JONES) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Veterans' Affairs, Armed Services, and Oversight and Government Reform, 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

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A BILL

To provide for additional protections and disclosures to consumers when financial products or services are related to the consumers' military or Federal pensions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Annuity Safety and Security Under Reasonable Enforcement Act of 2015'' or the ''ASSURE Act of 2015''.

SEC. 2. CONSIDERATION OF FEDERAL AND MILITARY PENSIONS IN EXTENSIONS OF CREDIT.

The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended—

(1) in section 104(3), by inserting after ''other than'' the following: ''payments described under section 126(a) and'';

(2) by inserting after section 125 the following:

''§ 126. Payments in consideration of Federal and military pensions

''(a) DISCLOSURE.—The Bureau shall issue regulations requiring any payment to a benefit recipient, whether or not such payment is an extension of credit, that diminishes the benefit recipient's ability to control the payments from their Federal or military pension in any way, to be treated as an extension of credit for purposes of the disclosures required under this title.

''(b) INTEREST RATE CAP.—With respect to a payment to a benefit recipient described under subsection (a)—

''(1) if such payment is an extension of consumer credit, a creditor may not impose an annual

percentage rate of interest greater than the Federal funds rate plus 6 percent; and

''(2) if such payment is not an extension of consumer credit, the Bureau shall issue regulations requiring that the aggregate amount of cash and property paid in exchange for such payment may not exceed an amount that is equivalent to the interest rate described under paragraph (1).

''(c) DEFINITIONS.—For purposes of this section:

''(1) BENEFIT RECIPIENT.—The term 'benefit recipient' means a person who is entitled to payments under a Federal or military pension.

''(2) FEDERAL OR MILITARY PENSION.—The term 'Federal or military pension' means—

''(A) a benefit described under section 5301(a) of title 38, United States Code;

''(B) retired pay to an enlisted member of the Army, Navy, Air Force, Marine Corps, or Coast Guard; and

''(C) an annuity described under section 8345 or 8465 of title 5, United States Code.

''(3) FEDERAL FUNDS RATE.—For purposes of this section, the term 'Federal funds rate' means the Federal funds rate published in the Federal Reserve Statistical Release on selected interest rates (daily or

weekly), and commonly referred to as the H.15 release (or any successor publication).''; and

(3) in the table of contents for chapter 2 of such Act, by inserting after the item relating to section 125 the following:

''126. Payments in consideration of Federal and military pensions.''.

SEC. 3. CLARIFICATION OF ASSIGNMENTS; PRIVATE RIGHTS OF ACTIONS.

(a) VETERANS BENEFITS.—Section 5301 of title 38, United States Code, is amended by adding at the end the following:

''(f) PRIVATE RIGHT OF ACTION.—

''(1) IN GENERAL.—A benefit recipient may bring an action against a pension assignee in the appropriate Federal or State court and recover—

''(A) three times the damages suffered due to the assignment made in violation of this section;

''(B) court costs; and

''(C) reasonable attorneys' fees and expenses.

''(2) DEFINITIONS.—For purposes of this subsection:

''(A) BENEFIT RECIPIENT.—The term 'benefit recipient' means a person with respect

to which payments of benefits described under this section are due or are to become due.

''(B) PENSION ASSIGNEE.—With respect to a benefit recipient, the term 'pension assignee' means a person who has been assigned the benefits of the benefit recipient in violation of this section.''.

(b) MILITARY RETIRED PAY.—Section 701 of title 37, United States Code, is amended by adding at the end the following:

''(f) CLARIFICATION ON NON-ASSIGNMENT OF RETIRED PAY FOR ENLISTED MEMBERS.—

''(1) IN GENERAL.—For purposes of this subsection (c), in any case where an enlisted member is entitled to retired pay and enters into an agreement with another person under which agreement such other person acquires for consideration the right to receive payment of such retired pay, whether by payment from the member to such other person, deposit into an account from which such other person may make withdrawals, or otherwise, such agreement shall be deemed to be an assignment and is prohibited. Any agreement or arrangement for collateral for security for an agreement that is prohibited under the previous sentence is also prohibited.

''(2) PRIVATE RIGHT OF ACTION.—

''(A) IN GENERAL.—A retired pay recipient may bring an action against a retired pay assignee in the appropriate Federal or State court and recover—

''(i) three times the damages suffered due to the assignment of retired pay made in violation of this section;

''(ii) court costs; and

''(iii) reasonable attorneys' fees and expenses.

''(B) DEFINITIONS.—For purposes of this subsection:

''(i) RETIRED PAY RECIPIENT.—The term 'retired pay recipient' means a person with respect to which retired pay described under this section is due or is to become due.

''(ii) RETIRED PAY ASSIGNEE.—With respect to a retired pay recipient, the term 'retired pay assignee' means a person who has been assigned or allotted the retired pay of the retired pay recipient in violation of this section.''.

(c) CSRS ANNUITIES.—Section 8345(h) of title 5, United States Code, is amended to read as follows:

''(h) NON-ASSIGNMENT OF ANNUITIES.—

''(1) IN GENERAL.—An individual entitled to an annuity from the Fund may not make allotments or assignments of amounts from such annuity.

''(2) CONSTRUCTION.—For purposes of this subsection—

''(A) in any case where an individual entitled to an annuity from the Fund enters into an agreement with another person under which agreement such other person acquires for consideration the right to receive payment of such annuity, whether by payment from the individual to such other person, deposit into an account from which such other person may make withdrawals, or otherwise, such agreement shall be deemed to be an assignment and is prohibited; and

''(B) any agreement or arrangement for collateral for security for an agreement that is prohibited under subparagraph (A) is also prohibited.

''(3) EXCEPTION.—Paragraphs (1) and (2) shall not apply to amounts used to pay dues to unions or other employee organizations.

''(4) PRIVATE RIGHT OF ACTION.—

''(A) IN GENERAL.—An annuity recipient may bring an action against an annuity assignee in the appropriate Federal or State court and recover—

''(i) three times the damages suffered due to the assignment made in violation of this subsection or the regulations issued pursuant to this subsection;

''(ii) court costs; and

''(iii) reasonable attorneys' fees and expenses.

''(B) DEFINITIONS.—For purposes of this paragraph:

''(i) ANNUITY ASSIGNEE.—With respect to an annuity recipient, the term 'annuity assignee' means a person who has been assigned or allotted all or part of an annuity from the Fund in violation of this subsection or the regulations issued pursuant to this subsection.

''(ii) ANNUITY RECIPIENT.—The term 'annuity recipient' means an individual entitled to an annuity from the Fund.''.

(d) FERS ANNUITIES.—Section 8465(b) of title 5, United States Code, is amended to read as follows:

''(b) NON-ASSIGNMENT OF ANNUITIES.—

''(1) IN GENERAL.—An individual entitled to an annuity from the Fund may not make allotments or assignments of amounts from such annuity.

''(2) CONSTRUCTION.—For purposes of this subsection—

''(A) in any case where an individual entitled to an annuity from the Fund enters into an agreement with another person under which agreement such other person acquires for consideration the right to receive payment of such annuity, whether by payment from the individual to such other person, deposit into an account from which such other person may make withdrawals, or otherwise, such agreement shall be deemed to be an assignment and is prohibited; and

''(B) any agreement or arrangement for collateral for security for an agreement that is

prohibited under subparagraph (A) is also prohibited.

''(3) EXCEPTION.—Paragraphs (1) and (2) shall not apply to amounts used to pay dues to unions or other employee organizations.

''(4) PRIVATE RIGHT OF ACTION.—

''(A) IN GENERAL.—An annuity recipient may bring an action against an annuity assignee in the appropriate Federal or State court and recover—

''(i) three times the damages suffered due to the assignment made in violation of this subsection or the regulations issued pursuant to this subsection;

''(ii) court costs; and

''(iii) reasonable attorneys' fees and expenses.

''(B) DEFINITIONS.—For purposes of this paragraph:

''(i) ANNUITY ASSIGNEE.—With respect to an annuity recipient, the term 'annuity assignee' means a person who has been assigned or allotted all or part of an annuity from the Fund in violation of this

subsection or the regulations issued pursuant to this subsection.

''(ii) ANNUITY RECIPIENT.—The term 'annuity recipient' means an individual entitled to an annuity from the Fund.''.

SEC. 4. BUREAU OF CONSUMER FINANCIAL PROTECTION PROVISIONS.

(a) REGULATION OF FEDERAL OR MILITARY PENSION-RELATED PRODUCTS.—Section 1032(f) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5532(f)) is amended by adding at the end the following:

''(g) REGULATION OF FEDERAL OR MILITARY PENSION-RELATED PRODUCTS.—

''(1) IN GENERAL.—The Bureau shall issue regulations to require a person offering a Federal or military pension-related product to provide additional disclosures when advertising or selling such product, sufficient to allow consumers to understand how their pension relates to the product.

''(2) DEFINITIONS DEFINED.—For purposes of this subsection:

''(A) FEDERAL OR MILITARY PENSION.—The term 'Federal or military pension' means—

''(i) a benefit described under section 5301(a) of title 38, United States Code;

''(ii) retired pay to an enlisted member of the Army, Navy, Air Force, Marine Corps, or Coast Guard; and

''(iii) an annuity described under section 8345 or 8465 of title 5, United States Code.

''(B) FEDERAL OR MILITARY PENSION-RELATED PRODUCT.—The term 'Federal or military pension-related product' means a financial product or service related to a Federal or military pension, including any extension of credit if the creditor, when determining a consumer's ability to repay the extension of credit, takes the pension into consideration.''.

(b) STUDY BY THE BUREAU.—

(1) IN GENERAL.—The Bureau of Consumer Financial Protection shall carry out a study of financial products and services that target military retirees and Federal employee retirees.

(2) REPORT.—Not later than the end of the 3-month period beginning on the date of the enactment of this Act, the Bureau shall issue a report to the Congress containing all findings and determina-

tions made in carrying out the study required under this subsection.

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