

115TH CONGRESS
2D SESSION

H. R. 7299

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

DECEMBER 13, 2018

Mr. CARTWRIGHT 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

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.

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 “Annuity Safety and
5 Security Under Reasonable Enforcement Act of 2018” or
6 the “ASSURE Act of 2018”.

1 **SEC. 2. CONSIDERATION OF FEDERAL AND MILITARY PEN-**
2 **SIONS IN EXTENSIONS OF CREDIT.**

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

5 (1) in section 104(3), by inserting after “other
6 than” the following: “payments described under sec-
7 tion 126(a) and”;

8 (2) by inserting after section 125 the following:

9 **“§ 126. Payments in consideration of Federal and**
10 **military pensions**

11 “(a) DISCLOSURE.—The Bureau shall issue regula-
12 tions requiring any payment to a covered individual,
13 whether or not such payment is an extension of credit,
14 that diminishes the covered individual’s ability to control
15 the payments from their Federal or military pension or
16 Thrift Savings Plan in any way, to be treated as an exten-
17 sion of credit for purposes of the disclosures required
18 under this title.

19 “(b) INTEREST RATE CAP.—With respect to a pay-
20 ment to a covered individual described under subsection
21 (a)—

22 “(1) if such payment is an extension of con-
23 sumer credit, a creditor may not impose an annual
24 percentage rate of interest greater than the Federal
25 funds rate plus 6 percent; and

1 “(2) if such payment is not an extension of con-
2 sumer credit, the Bureau shall issue regulations re-
3 quiring that the aggregate amount of cash and prop-
4 erty paid in exchange for such payment may not ex-
5 ceed an amount that is equivalent to the interest
6 rate described under paragraph (1).

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

8 “(1) COVERED INDIVIDUAL.—The term ‘cov-
9 ered individual’ means—

10 “(A) an individual who is entitled to pay-
11 ments under a Federal or military pension; and

12 “(B) an individual who has not less than
13 5 years of creditable service under section 8332
14 or 8411 of title 5, United States Code, in a po-
15 sition in the civil service, as defined in section
16 2101 of title 5, United States Code.

17 “(2) FEDERAL OR MILITARY PENSION.—The
18 term ‘Federal or military pension’ means—

19 “(A) an annuity described under section
20 8345 or 8465 of title 5, United States Code;

21 “(B) retired or retainer pay payable to a
22 member of the uniformed services (as that term
23 is defined in section 101(a)(5) of title 10,
24 United States Code);

1 “(C) compensation payable under chapter
2 11 of title 38, United States Code;

3 “(D) dependency and indemnity compensa-
4 tion payable under chapter 13 of title 38,
5 United States Code;

6 “(E) pension payable under chapter 15 of
7 title 38, United States Code; and

8 “(F) any other benefit described in section
9 5301(a) of title 38, United States Code.

10 “(3) FEDERAL FUNDS RATE.—For purposes of
11 this section, the term ‘Federal funds rate’ means the
12 Federal funds rate published in the Federal Reserve
13 Statistical Release on selected interest rates (daily or
14 weekly), and commonly referred to as the H.15 re-
15 lease (or any successor publication).”; and

16 (3) in the table of contents for chapter 2 of
17 such Act, by inserting after the item relating to sec-
18 tion 125 the following:

“126. Payments in consideration of Federal and military pensions.”.

19 **SEC. 3. CLARIFICATION OF ASSIGNMENTS; PRIVATE**
20 **RIGHTS OF ACTIONS.**

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

24 “(f) PRIVATE RIGHT OF ACTION.—

1 “(1) IN GENERAL.—A benefit recipient may
2 bring an action against a pension assignee in the ap-
3 propriate Federal or State court and recover—

4 “(A) three times the damages suffered due
5 to the assignment made in violation of this sec-
6 tion;

7 “(B) court costs; and

8 “(C) reasonable attorneys’ fees and ex-
9 penses.

10 “(2) DEFINITIONS.—For purposes of this sub-
11 section:

12 “(A) BENEFIT RECIPIENT.—The term
13 ‘benefit recipient’ means a person with respect
14 to which payments of benefits described under
15 this section are due or are to become due.

16 “(B) PENSION ASSIGNEE.—With respect to
17 a benefit recipient, the term ‘pension assignee’
18 means a person who has been assigned the ben-
19 efits of the benefit recipient in violation of this
20 section.”.

21 (b) MILITARY RETIRED PAY.—Section 701 of title
22 37, United States Code, is amended—

23 (1) in subsection (a), by striking “Under regu-
24 lations” and inserting “Subject to subsection (f) and
25 under regulations”; and

1 (2) by adding at the end the following new sub-
2 section:

3 “(f)(1) Except as provided in paragraph (2), for pur-
4 poses of subsections (a) and (c), in any case where a mem-
5 ber is entitled to retired or retainer pay and enters into
6 an agreement with another person under which agreement
7 such other person acquires for consideration the right to
8 receive payment of such retired or retainer pay, whether
9 by payment from the member to such other person, de-
10 posit into an account from which such other person may
11 make withdrawals, or otherwise, such agreement shall be
12 deemed to be an assignment and is void. Any agreement
13 or arrangement for collateral for security for an agreement
14 that is void under this paragraph is also void.

15 “(2) Paragraph (1) does not apply to a right to re-
16 ceive payment of retired or retainer pay in compliance with
17 a court order as provided for in section 1408 of title 10
18 or as otherwise expressly authorized by law.

19 “(3)(A) A retired pay recipient may bring an action
20 against a retired pay assignee in the appropriate Federal
21 or State court and recover—

22 “(i) three times the damages suffered due to
23 the assignment of retired pay made in violation of
24 this subsection;

25 “(ii) court costs; and

1 “(iii) reasonable attorneys’ fees and expenses.

2 “(B) In this paragraph:

3 “(i) The term ‘retired pay recipient’ means a
4 person with respect to which retired or retainer pay
5 covered by this subsection is due or is to become
6 due.

7 “(ii) The term ‘retired pay assignee’, with re-
8 spect to a retired pay recipient, means a person who
9 has been assigned or allotted the retired or retainer
10 pay of the retired pay recipient in violation of this
11 subsection.”.

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

14 “(h) NON-ASSIGNMENT OF ANNUITIES.—

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

18 “(2) CONSTRUCTION.—For purposes of this
19 subsection—

20 “(A) in any case where an individual enti-
21 tled to an annuity from the Fund enters into an
22 agreement with another person under which
23 agreement such other person acquires for con-
24 sideration the right to receive payment of such
25 annuity, whether by payment from the indi-

vidual 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.

1 “(B) DEFINITIONS.—For purposes of this
2 paragraph:

3 “(i) ANNUITY ASSIGNEE.—With re-
4 spect to an annuity recipient, the term ‘an-
5 nuity assignee’ means a person who has
6 been assigned or allotted all or part of an
7 annuity from the Fund in violation of this
8 subsection or the regulations issued pursu-
9 ant to this subsection.

10 “(ii) ANNUITY RECIPIENT.—The term
11 ‘annuity recipient’ means an individual en-
12 titled to an annuity from the Fund.”.

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

15 “(b) NON-ASSIGNMENT OF ANNUITIES.—

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

19 “(2) CONSTRUCTION.—For purposes of this
20 subsection—

21 “(A) in any case where an individual enti-
22 tled to an annuity from the Fund enters into an
23 agreement with another person under which
24 agreement such other person acquires for con-
25 sideration the right to receive payment of such

1 annuity, whether by payment from the indi-
2 vidual to such other person, deposit into an ac-
3 count from which such other person may make
4 withdrawals, or otherwise, such agreement shall
5 be deemed to be an assignment and is prohib-
6 ited; and

7 “(B) any agreement or arrangement for
8 collateral for security for an agreement that is
9 prohibited under subparagraph (A) is also pro-
10 hibited.

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

14 “(4) PRIVATE RIGHT OF ACTION.—

15 “(A) IN GENERAL.—An annuity recipient
16 may bring an action against an annuity as-
17 signee in the appropriate Federal or State court
18 and recover—

19 “(i) three times the damages suffered
20 due to the assignment made in violation of
21 this subsection or the regulations issued
22 pursuant to this subsection;

23 “(ii) court costs; and

24 “(iii) reasonable attorneys’ fees and
25 expenses.

1 “(B) DEFINITIONS.—For purposes of this
2 paragraph:

3 “(i) ANNUITY ASSIGNEE.—With re-
4 spect to an annuity recipient, the term ‘an-
5 nuity assignee’ means a person who has
6 been assigned or allotted all or part of an
7 annuity from the Fund in violation of this
8 subsection or the regulations issued pursu-
9 ant to this subsection.

10 “(ii) ANNUITY RECIPIENT.—The term
11 ‘annuity recipient’ means an individual en-
12 titled to an annuity from the Fund.”.

13 **SEC. 4. BUREAU OF CONSUMER FINANCIAL PROTECTION**
14 **PROVISIONS.**

15 (a) REGULATION OF FEDERAL OR MILITARY PEN-
16 SION-RELATED PRODUCTS.—Section 1032 of the Con-
17 sumer Financial Protection Act of 2010 (12 U.S.C. 5532)
18 is amended by adding at the end the following:

19 “(g) REGULATION OF FEDERAL OR MILITARY PEN-
20 SION-RELATED PRODUCTS.—

21 “(1) IN GENERAL.—The Bureau shall issue
22 regulations to require a person offering a Federal or
23 military pension-related product to provide addi-
24 tional disclosures when advertising or selling such

1 product, sufficient to allow consumers to under-
2 stand—

3 “(A) how their pension relates to the prod-
4 uct; and

5 “(B) whether any insured depository insti-
6 tution also offers the product.

7 “(2) DEFINITIONS DEFINED.—For purposes of
8 this subsection:

9 “(A) FEDERAL OR MILITARY PENSION.—
10 The term ‘Federal or military pension’ means—

11 “(i) a benefit described under section
12 5301(a) of title 38, United States Code;

13 “(ii) retired pay to an enlisted mem-
14 ber of the Army, Navy, Air Force, Marine
15 Corps, or Coast Guard;

16 “(iii) an annuity described under sec-
17 tion 8345 or 8465 of title 5, United States
18 Code;

19 “(iv) compensation under chapter 11
20 of title 38, United States Code; and

21 “(v) dependency and indemnity com-
22 pensation under chapter 13 of title 38,
23 United States Code.

24 “(B) FEDERAL OR MILITARY PENSION-RE-
25 LATED PRODUCT.—The term ‘Federal or mili-

1 tary pension-related product’ means a financial
2 product or service related to a Federal or mili-
3 tary pension, including any extension of credit
4 if the creditor, when determining a consumer’s
5 ability to repay the extension of credit, takes
6 the pension into consideration.”.

7 (b) STUDY BY THE BUREAU.—

8 (1) IN GENERAL.—The Bureau of Consumer
9 Financial Protection shall carry out a study of fi-
10 nancial products and services that target military re-
11 tirees and Federal employee retirees.

12 (2) REPORT.—Not later than the end of the 3-
13 month period beginning on the date of the enact-
14 ment of this Act, the Bureau shall issue a report to
15 the Congress containing all findings and determina-
16 tions made in carrying out the study required under
17 this subsection.

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