

- (3) promulgate regulations under subsection (a)(4) after the designated transfer date.

**(e) Designated transfer date**

As used in this section, the term “designated transfer date” means the date determined under section 1062 of the Consumer Financial Protection Act of 2010 [12 U.S.C. 5582].

(Pub. L. 97–320, title VIII, §804, Oct. 15, 1982, 96 Stat. 1546; Pub. L. 101–73, title VII, §744(c), Aug. 9, 1989, 103 Stat. 438; Pub. L. 111–203, title X, §1083(a)(2), July 21, 2010, 124 Stat. 2080.)

**Editorial Notes**

**REFERENCES IN TEXT**

The Consumer Financial Protection Act of 2010, referred to in subsec. (d)(2), is title X of Pub. L. 111–203, July 21, 2010, 124 Stat. 1955, which enacted subchapter V (§5481 et seq.) of chapter 53 of this title and enacted, amended, and repealed numerous other sections and notes in the Code. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of this title and Tables.

**AMENDMENTS**

2010—Subsec. (a)(1), (2), (3). Pub. L. 111–203, §1083(a)(2)(A)(i), inserted “on or before the designated transfer date, as determined under section 1062 of the Consumer Financial Protection Act of 2010,” after “transactions made”.

Subsec. (a)(4). Pub. L. 111–203, §1083(a)(2)(A)(ii)–(iv), added par. (4).

Subsec. (c). Pub. L. 111–203, §1083(a)(2)(B), added subsec. (c) and struck out former subsec. (c). Prior to amendment, text read as follows: “An alternative mortgage transaction may be made by a housing creditor in accordance with this section, notwithstanding any State constitution, law, or regulation.”

Subsecs. (d), (e). Pub. L. 111–203, §1083(a)(2)(C), added subsecs. (d) and (e).

1989—Subsec. (a)(3). Pub. L. 101–73 substituted “Director of the Office of Thrift Supervision” for “Federal Home Loan Bank Board” wherever appearing.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF 2010 AMENDMENT**

Amendment by Pub. L. 111–203 effective on the designated transfer date, see section 1083(b) of Pub. L. 111–203, set out as a note under section 3802 of this title.

**EFFECTIVE DATE**

Section effective Oct. 15, 1982, see section 807(a) of Pub. L. 97–320, set out as a note under section 3801 of this title.

**§ 3804. Applicability of preemption provisions**

(a) The provisions of section 3803 of this title shall not apply to any alternative mortgage transaction in any State made on or after the effective date (if such effective date occurs on or after October 15, 1982, and prior to a date three years after October 15, 1982) of a State law or a certification that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the preemption provided in section 3803 of this title to apply with respect to alternative mortgage transactions (or to any class or type of alternative mortgage transaction) subject to the laws of such State, except that section 3803 of this title shall continue to apply to—

(1) any alternative mortgage transaction undertaken on or after such date pursuant to an agreement to undertake such alternative mortgage transaction which was entered into on or after October 15, 1982, and prior to such later date (the “preemption period”); and

(2) any renewal, extension, refinancing, or other modification of an alternative mortgage transaction that was entered into during the preemption period.

(b) An alternative mortgage transaction shall be deemed to have been undertaken during the preemption period to which this section applies if it—

(1) is funded or extended in whole or in part during the preemption period, regardless of whether pursuant to a commitment or other agreement therefor made prior to that period; or

(2) is a renewal, extension, refinancing, or other modification of an alternative mortgage transaction entered into before the preemption period and such renewal, extension, or other modification is made during such period with the written consent of any person obligated to repay such credit.

(Pub. L. 97–320, title VIII, §805, Oct. 15, 1982, 96 Stat. 1547; Pub. L. 98–181, title I [title IV, §472], Nov. 30, 1983, 97 Stat. 1237.)

**Editorial Notes**

**AMENDMENTS**

1983—Subsec. (a). Pub. L. 98–181 inserted “(or to any class or type of alternative mortgage transaction)”.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section effective Oct. 15, 1982, see section 807(a) of Pub. L. 97–320, set out as a note under section 3801 of this title.

**§ 3805. Applicability of consumer protection provisions**

Section 501(c)(1) of the Depository Institutions Deregulation and Monetary Control Act of 1980 shall not apply to transactions which are subject to this chapter.

(Pub. L. 97–320, title VIII, §806, Oct. 15, 1982, 96 Stat. 1548.)

**Editorial Notes**

**REFERENCES IN TEXT**

Section 501(c)(1) of the Depository Institutions Deregulation and Monetary Control Act of 1980, referred to in text, is section 501(c)(1) of Pub. L. 96–221, title V, Mar. 31, 1980, 94 Stat. 161, which is set out as a note under section 1735f–7 of this title.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section effective Oct. 15, 1982, see section 807(a) of Pub. L. 97–320, set out as a note under section 3801 of this title.

**§ 3806. Adjustable rate mortgage caps**

**(a) In general**

Any adjustable rate mortgage loan originated by a creditor shall include a limitation on the

maximum interest rate that may apply during the term of the mortgage loan.

#### (b) Regulations

The Board of Governors of the Federal Reserve System shall prescribe regulations to carry out the purposes of this section.

#### (c) Enforcement

Any violation of this section shall be treated as a violation of the Truth in Lending Act [15 U.S.C. 1601 et seq.] and shall be subject to administrative enforcement under section 108 [15 U.S.C. 1607] or civil damages under section 130 [15 U.S.C. 1640] of such Act, or both.

#### (d) Definitions

For the purpose of this section—

(1) the term “creditor” means a person who regularly extends credit for personal, family, or household purposes; and

(2) the term “adjustable rate mortgage loan” means any consumer loan secured by a lien on a one- to four-family dwelling unit, including a condominium unit, cooperative housing unit, or mobile home, where the loan is made pursuant to an agreement under which the creditor may, from time to time, adjust the rate of interest.

#### (e) Effective date

This section shall take effect upon the expiration of 120 days after August 10, 1987.

(Pub. L. 100-86, title XII, §1204, Aug. 10, 1987, 101 Stat. 662; Pub. L. 102-550, title IX, §952, Oct. 28, 1992, 106 Stat. 3893.)

### Editorial Notes

#### REFERENCES IN TEXT

The Truth in Lending Act, referred to in subsec. (c), is title I of Pub. L. 90-321, May 29, 1968, 82 Stat. 146, which is classified generally to subchapter I (§1601 et seq.) of chapter 41 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 15 and Tables.

#### CODIFICATION

Section was enacted as part of the Competitive Equality Banking Act of 1987, and not as part of the Alternative Mortgage Transaction Parity Act of 1982 which comprises this chapter.

#### AMENDMENTS

1992—Subsec. (d)(2). Pub. L. 102-550 substituted “any consumer loan” for “any loan”.

## CHAPTER 40—INTERNATIONAL LENDING SUPERVISION

Sec.	
3901.	Congressional declaration of policy.
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Sec.

3911. Equal representation for Federal Deposit Insurance Corporation and the Office of Thrift Supervision.

3912. Repealed.

### § 3901. Congressional declaration of policy

(a)(1) It is the policy of the Congress to assure that the economic health and stability of the United States and the other nations of the world shall not be adversely affected or threatened in the future by imprudent lending practices or inadequate supervision.

(2) This shall be achieved by strengthening the bank regulatory framework to encourage prudent private decisionmaking and by enhancing international coordination among bank regulatory authorities.

(b) The Federal banking agencies shall consult with the banking supervisory authorities of other countries to reach understandings aimed at achieving the adoption of effective and consistent supervisory policies and practices with respect to international lending.

(Pub. L. 98-181, title I [title IX, §902], Nov. 30, 1983, 97 Stat. 1278.)

### Statutory Notes and Related Subsidiaries

#### SHORT TITLE OF 1989 AMENDMENT

Pub. L. 101-240, title IV, §401, Dec. 19, 1989, 103 Stat. 2501, provided that: “This title [enacting section 3904a of this title and enacting provisions set out as notes under section 3904a of this title and section 2291 of Title 22, Foreign Relations and Intercourse] may be cited as the ‘Foreign Debt Reserving Act of 1989’.”

#### SHORT TITLE

Pub. L. 98-181, title I [title IX, §901], Nov. 30, 1983, 97 Stat. 1278, provided that: “This title [enacting this chapter] may be cited as the ‘International Lending Supervision Act of 1983’.”

#### ENCOURAGEMENT OF DEBT-FOR-DEVELOPMENT SWAPS THROUGH LOCAL CURRENCY REPAYMENT

Pub. L. 101-240, title V, §531, Dec. 19, 1989, 103 Stat. 2513, provided that:

“(a) STATEMENT OF POLICY.—It is the sense of the Congress that—

“(1) debt-for-development swaps, where payment is made in local currency at the free market rate, serve a useful purpose by providing banking institutions with constructive opportunities for the reduction of the external debt of highly indebted developing countries in a process that involves the participation of private, nonprofit groups in providing a stimulus to the economic and social development of such developing countries;

“(2) debt-for-development swaps provide highly indebted developing countries with a creative method of reducing external debt burdens, while promoting their economic growth and restructuring objectives;

“(3) banking institutions should give careful consideration to engaging in such swaps as one means of strengthening overall loan portfolios through the reduction of high external debt burdens while expanding economic opportunities through private sector initiatives; and

“(4) in order to avoid any bias against such swaps in the regulatory framework applicable to the financial reporting of banking institutions, where payment is made in local currency at the free market rate, appropriate recognition of the fair market exchange value of the currency so received should be made.