

## **HOUSE PROPOSED AMENDMENT TO TITLE X**

**[Page and line numbers refer to page and line numbers of the  
base text of the Conference Report]**

Page 1380, line 4, after the period insert “The Bureau shall be considered an Executive agency as defined in section 105 of title 5, United States Code. Except as otherwise provided expressly by law, all Federal laws dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds, including the provisions of chapters 5 and 7 of title 5, shall apply to the exercise of the powers of the Bureau.”.

Page 1385, line 10, insert “in accordance with the applicable provisions of title 5, United States Code” before the period.

Page 1385, beginning on line 16, strike “Notwithstanding any other” and all that follows through line 22 and insert “Unless otherwise provided expressly by law, any individual appointed under this section shall be an employee as defined in section 2105 of title 5, United States Code, and subject to the provisions of such title and other laws generally applicable to the employees of an Executive agency.”

Page 1385 strike line 23 and all that follows through page 1386, line 15 and insert the following new paragraphs:

1           (2) COMPENSATION.—Notwithstanding any otherwise applicable provision of title 5, United States Code, concerning compensation, including the provisions of chapter 51 or subchapter III of chapter 53, the following provisions shall apply with respect to employees of the Bureau:

7           (A) The rates of basic pay for all employees of the Bureau may be set and adjusted by the Director.

10          (B) The Director shall at all times provide compensation (including benefits) to each class of employees that, at a minimum, are equivalent to the compensation and benefits then being provided by the Board of Governors for the corresponding class of employees.

16          (C) All such employees shall be compensated (including benefits) on terms and conditions that are consistent with the terms and conditions set forth in section 11(l) of the Federal Reserve Act (12 U.S.C. 248(l)).

1           (3) LABOR-MANAGEMENT RELATIONS.—Chap-  
2           ter 71 of title 5, United States Code, shall apply to  
3           the Bureau and the employees of the Bureau.

4           (4) CONSULTATION.—The Bureau shall consult  
5           with the Office of Personnel Management in the im-  
6           plementation of the compensation authorities pro-  
7           vided under paragraph (2).

8           (5) OMBUDSMAN.—The Director shall appoint  
9           an Ombudsperson, who shall—

10                   (A) develop and maintain expertise in and  
11                   understanding of the law relating to consumer  
12                   financial products;

13                   (B) at the request of a Federal agency or  
14                   a State agency, and with the prior approval of  
15                   the Director, advise such agency with respect to  
16                   actions that may affect consumers;

17                   (C) advise consumers who may have a le-  
18                   gitimate potential or actual claim against a  
19                   Federal agency involving the provision of con-  
20                   sumer financial products regarding their rights  
21                   under this title;

22                   (D) identify Federal agency actions that  
23                   have potential implications for consumers and,  
24                   if appropriate, and with the prior approval of

1 the Director, advise the relevant Federal agen-  
2 cies with respect to those implications;

3 (E) provide information to private citizens,  
4 civic groups, Federal agencies, State agencies,  
5 and other interested parties regarding the  
6 rights of those parties under this title;

7 (F) develop, maintain, and provide exper-  
8 tise designed to assist covered persons, espe-  
9 cially smaller depository institutions and other  
10 smaller entities to comply with regulations and  
11 other requirements issued to implement the pro-  
12 visions of this title, and where such assistance  
13 for smaller depository institutions shall be pro-  
14 vided jointly by the Agency and the appropriate  
15 Federal banking agency;

16 (G) develop procedures to assist covered  
17 persons, especially smaller depository institu-  
18 tions and other smaller entities, in responding  
19 to or challenging actions taken by the Director  
20 or the Agency to implement the provisions of  
21 this title and to ensure that safeguards exist to  
22 preserve the confidentiality of covered persons  
23 using those procedures; and

24 (H) perform such other duties as the Di-  
25 rector may delegate to the Ombudsperson.

Page 1396, line 14, insert “and civil rights,” after “lending”.

Page 1398, line 1, insert “and the Committee on Energy and Commerce” after “Services”.

Page 1398, line 8, insert “and the Committee on Energy and Commerce” after “Services”.

Page 1401, strike line 1 and all that follows through line 8, and insert the following new subparagraphs:

1           (B) ADJUSTMENT OF AMOUNT.—The dol-  
2           lar amount referred to in subparagraph (A)(iii)  
3           shall be adjusted annually, using the average of  
4           the percentages by which the operating ex-  
5           penses of each comparative financial regulatory  
6           agency, as reported in their annual financial  
7           statements, differ from the operating expenses  
8           of that agency from the prior year.

9           (C) DEFINITION.—For the purposes of  
10          this section the term “comparative financial  
11          regulatory agency” means—

- 12                   (i) the Board of Governors;  
13                   (ii) the Commission;  
14                   (iii) the Federal Deposit Insurance  
15                   Corporation; and  
16                   (iv) the Comptroller of the Currency.

1           (D)     REVIEWABILITY.—Notwithstanding  
2           any other provision in this title, the funds de-  
3           rived from the Federal System pursuant to this  
4           subsection shall not be subject to review by the  
5           Committees on Appropriations of the House of  
6           Representatives and the Senate.

Page 1408, after line 24, insert the following new subsection:

7           (e) AUTHORIZATION OF APPROPRIATIONS.—For the  
8           purposes of carrying out the authorities granted in this  
9           title, under the enumerated consumer laws, and the laws  
10          and authorities transferred under subtitles F and H, there  
11          are authorized to be appropriated to the Director  
12          \$200,000,000 for each of fiscal years 2010, 2011, 2012,  
13          2013, and 2014.

Page 1424, strike line 9 and all that follows through line 25 (and redesignate subsequent subsections accordingly).

Page 1425, line 23, strike “or” after the semicolon.

Page 1426, line 8, strike the period at the end and insert “; or”.

Page 1426, after line 8, insert the following new subparagraph:

- 1 (D) offers or provides to a consumer—
- 2 (i) any payday loan;
- 3 (ii) any payment instrument, foreign
- 4 exchange service, or any service for trans-
- 5 mitting monetary value;
- 6 (iii) any private education loan, as de-
- 7 fined in section 140 of the Truth in Lend-
- 8 ing Act (15 U.S.C. 1650); or
- 9 (iv) any check cashing service.

Page 1445, strike line 22 and all that follows through page 1447, line12, and insert the following new subsections:

- 10 (c) EXAMINATIONS.—
- 11 (1) IN GENERAL.—The appropriate agency
- 12 shall on a periodic basis examine, or require reports
- 13 from, an institution referred to in subsection (a) for
- 14 purposes of ensuring compliance with the require-
- 15 ments of this title, the enumerated consumer laws,
- 16 and any regulation prescribed by the Director under
- 17 this title or pursuant to the authorities transferred
- 18 under subtitles F and H, and enforcing compliance
- 19 with such requirements.
- 20 (2) AGENCY ROLE IN EXAMINATIONS.—
- 21 (A) The appropriate agency shall provide
- 22 all reports, records, and documentation related

1 to the examination process to the Agency on a  
2 timely and ongoing basis.

3 (B) The Director and Agency may, at its  
4 discretion, include an examiner on any examina-  
5 tion conducted under paragraph (1). The ap-  
6 propriate agency shall involve such Agency ex-  
7 aminer in the entire examination process, in-  
8 cluding setting the scope of an examination,  
9 participating in the examination, and providing  
10 input on the examination report, matters re-  
11 quiring attention and examination ratings.

12 (d) ENFORCEMENT.—

13 (1) IN GENERAL.—Notwithstanding any other  
14 provision of this title other than this subsection, the  
15 appropriate agency shall have primary authority to  
16 enforce violations identified at institutions referred  
17 to in subsection (a) of any of the requirements of  
18 this title, the enumerated consumers laws, and any  
19 regulation prescribed by the Director under this title  
20 or pursuant to the authorities transferred under  
21 subtitles F and H.

22 (2) COORDINATION WITH APPROPRIATE AGEN-  
23 CY.—

24 (A) REFERRAL.—



1 (i) IN GENERAL.—The Agency may  
2 recommend in writing to the appropriate  
3 agency that the appropriate agency initiate  
4 an enforcement proceeding to the extent  
5 the appropriate agency is authorized by  
6 that Federal law or by this title.

7 (ii) EXPLANATION.—Any rec-  
8 ommendation under clause (i) shall be ac-  
9 companied by a written explanation of the  
10 concerns giving rise to the recommenda-  
11 tion.

12 (B) BACKSTOP ENFORCEMENT AUTHORITY  
13 OF AGENCY.—If the appropriate agency does  
14 not, before the end of the 120-day period begin-  
15 ning on the date on which the appropriate  
16 agency receives a recommendation under sub-  
17 paragraph (A), initiate an enforcement pro-  
18 ceeding, the Agency may initiate an enforce-  
19 ment proceeding as permitted by Federal law.

Page 1459, strike line 22 and all that follows  
through page 1460, line 10, and insert the following new  
subsection:

20 (e) EXCLUSION FOR PRACTICE OF LAW.—

21 (1) IN GENERAL.— Except as provided under  
22 paragraph (2), nothing in this title shall apply with

1       respect to an activity engaged in by an attorney, or  
2       engaged in under the direction of an attorney, as  
3       part of the practice of law under the laws of a State  
4       in which the attorney is licensed to practice law.

5               (2) RULE OF CONSTRUCTION.—

6               (A) IN GENERAL.—Paragraph (1) shall not  
7       be construed so as to limit the exercise by the  
8       Director and the Agency of any rulemaking, su-  
9       pervisory, enforcement, or other authority, in-  
10      cluding authority to order assessments, regard-  
11      ing any activity that is a financial activity de-  
12      scribed in any subparagraph of section  
13      4002(19) and is not engaged in as—

14              (i) part of the practice of law; or  
15              (ii) incidental to the practice of law,  
16      to the extent that such activity is provided ex-  
17      clusively within the scope of the attorney-client  
18      relationship and is not otherwise provided by or  
19      under the direction of the attorney to any con-  
20      sumer who is not receiving legal advice or serv-  
21      ices from the attorney in connection with such  
22      activity.

23              (B) EXISTING AUTHORITY.—Paragraph  
24      (1) shall not be construed so as to limit the au-  
25      thority of the Director and the Agency with re-

1           spect to any activity to the extent that such ac-  
2           tivity is otherwise subject to any of the enumer-  
3           ated consumer laws or the authorities trans-  
4           ferred under subtitle F or H.

5           (3) EXCEPTION.—Notwithstanding paragraph  
6           (1), an attorney’s activities related to assisting an-  
7           other person in preventing a foreclosure shall be  
8           subject to this title except to the extent such activi-  
9           ties constitute, or are incidental to, the provision of  
10          legal services to a client of the attorney

Page 1462, strike line 9 and all that follows through  
page 1463, line 8, and insert the following new subpara-  
graph (and redesignate the subsequent paragraph accord-  
ingly):

11           (A) REGULATORY COORDINATION.—In the  
12           implementation of appropriate consumer protec-  
13           tion standards for consumer financial products  
14           and services under this title that address the  
15           provision of services specifically pertaining to  
16           the administration and maintenance of any  
17           specified plan or arrangement, the Director  
18           shall coordinate with the Secretary of Labor  
19           and the Secretary of the Treasury, as appro-  
20           priate.

Page 1469, after line 24, insert the following new subsection:

1 (t) EXCLUSION FOR PAWNBROKERS.—

2 (1) IN GENERAL.—The Director and the Bu-  
3 reau may not exercise any rulemaking, supervisory,  
4 enforcement, or other authority, including authority  
5 to order assessments, under this title with respect to  
6 any pawnbroker licensed by a State or political sub-  
7 division thereof, a territory of the United States, or  
8 the District of Columbia, but only to the extent that  
9 such person acts in such capacity and provides ei-  
10 ther—

11 (A) non-recourse credit secured by a  
12 possessory security interest in tangible goods  
13 physically delivered by the consumer to the  
14 pawnbroker for which the consumer does not  
15 provide a written or electronic promise, order or  
16 authorization to pay, or in any other manner  
17 authorize a debit of a deposit account, prior to  
18 or contemporaneously with the disbursement of  
19 the original proceeds; or

20 (B) credit or any other financial activity  
21 issued directly by a pawnbroker to a consumer,  
22 in a case in which the good or service being  
23 provided is not itself a consumer financial prod-

1           uct or service, exclusively for the purpose of en-  
2           abling that consumer to purchase goods or serv-  
3           ices directly from the pawnbroker.

4           (2) RULE OF CONSTRUCTION.—

5                 (A) FTC AUTHORITY PRESERVED.—Ex-  
6           cept as provided in subparagraph (B), no provi-  
7           sion of this title shall be construed as modi-  
8           fying, limiting, or superseding the authority of  
9           the Federal Trade Commission with respect to  
10          the activities described under paragraph (1).

11                 (B) EXERCISE OF RULEMAKING AUTHOR-  
12          ITY.—The Director may exercise any rule-  
13          making authority regarding the activities de-  
14          scribed in paragraph (1) only as may be author-  
15          ized by the enumerated consumer laws or any  
16          law or authority transferred under subtitle F or  
17          H.

Page 1471, after line 4, insert the following new sec-  
tion (and redesignate the subsequent section accordingly):

18   **SEC. 1029. EXCLUSION FOR AUTO DEALERS.**

19           (a) IN GENERAL.—The Director and the Bureau may  
20          not exercise any rulemaking, supervisory, enforcement, or  
21          any other authority, including authority to order assess-  
22          ments over a motor vehicle dealer that is predominantly

1 engaged in the sale and servicing of motor vehicles, the  
2 leasing and servicing of motor vehicles, or both.

3 (b) CERTAIN FUNCTIONS EXCEPTED.—The provi-  
4 sions of subsection (a) shall not apply to any person, to  
5 the extent that such person—

6 (1) provides consumers with any services re-  
7 lated to residential or commercial mortgages and  
8 self-financing transactions involving real property;

9 (2) operates a line of business that involves the  
10 extension of retail credit or retail leases involving  
11 motor vehicles, and in which—

12 (A) the extension of retail credit or retail  
13 leases are provided directly to consumers; and

14 (B) the contract governing such extension  
15 of retail credit or retail leases is not predomi-  
16 nantly assigned to a third-party finance or leas-  
17 ing source; or

18 (3) offers or provides a consumer financial  
19 product or service not involving or related to the  
20 sale, financing, leasing, rental, repair, refurbish-  
21 ment, maintenance, or other servicing of motor vehi-  
22 cles, motor vehicle parts, or any related or ancillary  
23 product or service.

24 (c) NO IMPACT ON PRIOR AUTHORITY.—Nothing in  
25 this section shall be construed to modify, limit, or super-

1 sede the rulemaking or enforcement authority over motor  
2 vehicle dealers that could be exercised by any Federal de-  
3 partment or agency on the day before the date of enact-  
4 ment of this Act.

5 (d) NO TRANSFER OF CERTAIN AUTHORITY.—Not-  
6 withstanding any other provision of this Act, the consumer  
7 financial protection functions of the Board of Governors  
8 and the Federal Trade Commission shall not be trans-  
9 ferred to the Director or the Bureau to the extent such  
10 functions are with respect to a person described under  
11 subsection (a).

12 (e) COORDINATION WITH OFFICE OF SERVICE MEM-  
13 BER AFFAIRS.—The Board of Governors and the Federal  
14 Trade Commission shall coordinate with the Office of  
15 Service Member Affairs, to ensure that—

16 (1) service members and their families are edu-  
17 cated and empowered to make better informed deci-  
18 sions regarding consumer financial products and  
19 services offered by motor vehicle dealers, with a  
20 focus on motor vehicle dealers in the proximity of  
21 military installations; and

22 (2) complaints by service members and their  
23 families concerning such motor vehicle dealers are  
24 effectively monitored and responded to, and where

1 appropriate, enforcement action is pursued by the  
2 authorized agencies.

3 (f) DEFINITIONS.—For purposes of this section, the  
4 following definitions shall apply:

5 (1) MOTOR VEHICLE.—The term “motor vehi-  
6 cle” means—

7 (A) any self-propelled vehicle designed for  
8 transporting persons or property on a street,  
9 highway, or other road;

10 (B) recreational boats and marine equip-  
11 ment;

12 (C) motoreycles;

13 (D) motor homes, recreational vehicle trail-  
14 ers, and slide-in campers, as those terms are  
15 defined in sections 571.3 and 575.103 (d) of  
16 title 49, Code of Federal Regulations, or any  
17 successor thereto; and

18 (E) other vehicles that are titled and sold  
19 through dealers.

20 (2) MOTOR VEHICLE DEALER.—The term  
21 “motor vehicle dealer” means any person or resident  
22 in the United States, or any territory of the United  
23 States, who is licensed by a State, a territory of the  
24 United States, or the District of Columbia to engage  
25 in the sale of motor vehicles.



Page 1485, after line 16, insert the following new section ( and redesignate the subsequent section accordingly and strike section 989F in title IX):

1 **SEC. 1037. REGULATION OF PERSON-TO-PERSON LENDING.**

2 (a) SCOPE OF EXEMPTION FROM FEDERAL SECURI-  
3 TIES REGULATION.—Section 3(a) of the Securities Act of  
4 1933 (15 U.S.C. 77c(a)) is amended by adding at the end  
5 the following new paragraph:

6 “(15) PERSON-TO-PERSON LENDING.—

7 “(A) IN GENERAL.—Any consumer loan,  
8 and any note representing a whole or fractional  
9 interest in any such loan, funded or sold  
10 through a person-to-person lending platform.

11 “(B) DEFINITIONS.— For purposes of this  
12 paragraph:

13 “(i) CONSUMER LOAN.—The term  
14 ‘consumer loan’ means a loan made to a  
15 natural person, the proceeds of which are  
16 intended primarily for personal, family,  
17 educational, household, or business use.

18 “(ii) PERSON-TO-PERSON LENDING  
19 PLATFORM.—

20 “(I) IN GENERAL.—The term  
21 ‘person-to-person lending platform’  
22 means an Internet website, the pri-

1           mary purpose of which is to provide a  
2           transaction platform for the funding  
3           or sale of individual consumer loans,  
4           or the sale of notes representing whole  
5           or fractional interests in individual  
6           consumer loans, by matching natural  
7           persons who wish to obtain such loans  
8           with persons who wish to fund them,  
9           or by matching persons who wish to  
10          sell such loans or notes with persons  
11          who wish to purchase them.

12                           “(II) PROHIBITION ON MULTIPLE  
13                           LOANS IN A SINGLE TRANSACTION.—  
14           The term ‘person-to-person lending  
15           platform’ does not include any plat-  
16           form on which multiple loans may be  
17           funded or sold in a single transaction,  
18           or on which a note representing an in-  
19           terest in multiple loans or other debt  
20           obligations may be sold.”.

21           (b) REGULATION BY THE AGENCY.—

22                           (1) IN GENERAL.—Primary jurisdiction for the  
23           regulation of the lending activities of person-to-per-  
24           son lending and person-to-person lending platforms  
25           is hereby vested in the Bureau.

1           (2) INTERIM REQUIREMENTS.—Until the Direc-  
2           tor issues and adopts disclosure requirements with  
3           respect to the sale of consumer loans, or notes rep-  
4           resenting whole or fractional interests therein, on  
5           person-to-person lending platforms, a person-to-per-  
6           son lending platform that registers the offer and sale  
7           of any such notes under the Securities Act of 1933  
8           shall, with respect to such registered offer and sale,  
9           provide the disclosure required under the Securities  
10          Act of 1933 to be contained in the registration  
11          statement and prospectus and provide such disclo-  
12          sure required in any periodic reports required to be  
13          filed by such person-to-person lender pursuant to  
14          section 13 or section 15(d) of the Securities Ex-  
15          change Act of 1934.

16          (3) DEFINITIONS.—For purposes of this sub-  
17          section, the terms “consumer loan”, “person-to-per-  
18          son lending platform”, “prospectus”, and “registra-  
19          tion statement” shall have the meaning given such  
20          term under the Securities Act of 1933.

21          (c) RULEMAKING.—The Director may prescribe such  
22          regulations and issue such orders as the Director con-  
23          siders necessary or appropriate to implement the provi-  
24          sions of this section and to provide borrower protection,

1 lender protection, consumer choice, and expanded con-  
2 sumer access to fair and reasonable credit choices.

3 (d) EFFECTIVE DATE.—Notwithstanding any other  
4 provision of this Act, this section shall take effect on the  
5 date of the enactment of this Act.

Page 1496, strike line 14 and all that follows  
through line 24, and insert the following new subpara-  
graph:

6 “(B) the State consumer financial law pre-  
7 vents, significantly interferes with, or materially  
8 impairs the ability of an institution chartered as  
9 a national bank to engage in the business of  
10 banking. Any preemption determination under  
11 this subparagraph may be made by a court or  
12 by regulation or order of the Comptroller of the  
13 Currency in accordance with applicable law, on  
14 a case-by-case basis. Any such determination by  
15 a court shall comply with the standards set  
16 forth in subsection (d) of this section, with the  
17 court making the subsection (d) finding de  
18 novo; or”.

Page 1499, after line 18, insert the following new  
subsection (and redesignate subsequent subsections ac-  
cordingly):

1           “(d) OTHER FEDERAL LAWS.—Notwithstanding any  
2 other provision of law, the Comptroller of the Currency  
3 may not prescribe a regulation or order pursuant to sub-  
4 section (b)(1)(B) until the Comptroller of the Currency,  
5 after consultation with the Consumer Financial Protection  
6 Bureau, makes a finding, in writing, that a Federal law  
7 provides a substantive standard, applicable to a national  
8 bank, which regulates the particular conduct, activity, or  
9 authority that is subject to such provision of the State  
10 consumer financial law.”.

Page 1506, strike line 10 and all that follows through line 12 (and redesignate subsequent paragraphs accordingly).

Page 1511, line 5, insert “issued,” after “demand.”

Page 1511, line 6, insert a comma after “filed”.

Page 1514, strike line 24 and all that follows through page 1515, line 6, and insert the following new clause:

11                           (i) OATH AND RECORDATION.—The  
12                           examination of any person pursuant to a  
13                           demand for oral testimony served under  
14                           this subsection shall be taken before an of-  
15                           ficer authorized to administer oaths and  
16                           affirmations by the laws of the United

1 States or of the place where the examina-  
2 tion is held. The officer before whom oral  
3 testimony is to be taken shall put the wit-  
4 ness on oath or affirmation and shall per-  
5 sonally, or by any individual acting under  
6 the direction of and in the presence of the  
7 officer, record the testimony of the witness.

Page 1515, lin 12, strike “Bureau investigator” and  
insert “officer”.

Page 1515, line 21, strike “of” and insert “for”.

Page 1517, line 20, insert “if the refusal is” before  
“on grounds”.

Page 1539, line 2, strike “have the power to”.

Page 1553, after line 6, insert the following new  
subparagraph:

8 (C) RETENTION OF CONSUMER ADVISORY  
9 COUNCIL.—  
10 (i) RETENTION AND CONTINU-  
11 ATION.—Notwithstanding the transfer of  
12 functions under subparagraph (A), the  
13 Consumer Advisory Council established by  
14 the Board of Governors pursuant to sec-  
15 tion 703(b) of Public Law 90–321 (15

1 U.S.C. 1691b(b)) shall continue as an enti-  
2 ty within the Federal Reserve System.

3 (ii) ADDITIONAL FUNCTIONS.—In ad-  
4 dition to the functions performed by the  
5 Consumer Advisory Council as of the des-  
6 ignated transfer date, the Consumer Advi-  
7 sory Council shall—

8 (I) submit to the Director (and  
9 make available to the public) an an-  
10 nual set of recommendations for con-  
11 sumer protection regulations and meet  
12 with the Director to discuss the an-  
13 nual recommendations;

14 (II) meet with the Board of Gov-  
15 ernors of the Federal Reserve System  
16 at least once a year and provide oral  
17 or written representations concerning  
18 matters within the jurisdiction of the  
19 Board; and

20 (III) call for information and  
21 make recommendations in regard to  
22 consumer protection regulations.

23 (iii) RESPONSE TO RECOMMENDA-  
24 TIONS.—When the Chair of the Federal  
25 Reserve testifies before Congress, the

1           Chair shall also testify about the rec-  
2           ommendations of the Consumer Advisory  
3           Council under clause (ii)(II) and its rec-  
4           ommendations for consumer protection  
5           regulations.

Page 1598, after line 10, insert the following new  
section (and redesignate subsequent sections accordingly):

6 **SEC. 1071. AMENDMENTS TO THE FEDERAL TRADE COM-**  
7 **MISSION ACT.**

8           (a) Section 5(m)(1)(A) of the Federal Trade Com-  
9 mission Act (15 U.S.C. 45(m)(1)(A)) is amended—

10           (1) by inserting “this Act or” after “violates”  
11 the first place such term appears;

12           (2) by inserting a comma after “under this  
13 Act”;

14           (3) by inserting a comma after “subsection  
15 (a)(1)””; and

16           (4) by inserting “a violation of this Act or is”  
17 before “prohibited”.

18           (b) Section 5 of the Federal Trade Commission Act  
19 (15 U.S.C. 45) is amended by adding at the end thereof  
20 the following new subsection:

21           “(o) UNLAWFUL ASSISTANCE.—It is unlawful for any  
22 person, partnership, or corporation, knowingly or reck-  
23 lessly, to provide substantial assistance to another in vio-



1 lating any provision of this Act or of any other Act en-  
2 forceable by the Commission that relates to unfair or de-  
3 ceptive acts or practices. Any such violation shall con-  
4 stitute an unfair or deceptive act or practice described in  
5 section 5(a)(1) of this Act. Nothing in this section shall  
6 be construed as limiting or superseding the protection pro-  
7 vided to any provider or user qualifying for protection  
8 under section 230(c)(1) of the Communications Act of  
9 1934 (47 U.S.C. 230(c)(1)).”.

10 (c) Section 18 of the Federal Trade Commission Act  
11 (15 U.S.C. 57a) is amended—

12 (1) in subsection (a)(1), by striking “(h)” and  
13 inserting “(f)”;

14 (2) by amending subsection (b) to read as fol-  
15 lows:

16 “(b) PROCEDURE APPLICABLE.—When prescribing a  
17 rule under subsection (a)(1)(B) of this section, the Com-  
18 mission shall proceed in accordance with section 553 of  
19 title 5.”;

20 (3) by striking subsection (c);

21 (4) in subsection (d), by striking “(d)(1) The  
22 Commission’s” and all that follows through the end  
23 of paragraph (2) and by redesignating paragraph (3)  
24 of such subsection as subsection (c);

1           (5) In such subsection (c) (as so redesignated),  
2           by inserting “prescribed” after “any rule”;

3           (6) by striking subsections (f), (i), and (j) and  
4           redesignating subsections (e), (g), and (h) as sub-  
5           sections (d), (e), and (f), respectively;

6           (7) in subsection (c) (as redesignated), by in-  
7           serting “prescribed” after “rule”; and

8           (8) in subsection (d) (as redesignated)—

9                 (A) in paragraph (1)(A) by striking “pro-  
10                 mulgated” and inserting “prescribed”;

11                (B) in paragraph (1)(B), by striking “the  
12                transcript required by subsection (c)(5),”;

13                (C) in paragraph (3), by striking “The  
14                court shall hold unlawful” and all that follows  
15                through the end of the paragraph; and

16                (D) by striking paragraphs (4) and (5)  
17                and inserting the following:

18           “(4) The procedure set forth in this subsection for  
19           judicial review of a rule prescribed under subsection  
20           (a)(1)(B) is the exclusive means for such review, other  
21           than in an enforcement proceeding.”; and

22           (9) in subsection (e)(2) (as so redesignated), by  
23           striking “class or persons” and inserting “class of  
24           persons”.

1 (d) Section 16(a)(2) of the Federal Trade Commis-  
2 sion Act (15 U.S.C. 56(a)(2)) is amended—

3 (1) in subparagraph (D), by striking “; or” and  
4 inserting a semicolon; and

5 (2) by inserting after subparagraph (E) the fol-  
6 lowing:

7 “(F) to obtain a civil penalty authorized  
8 under any provision of law enforced by the  
9 Commission.”.

10 (e) Section 5(l) of the Federal Trade Commission Act  
11 (15 U.S.C. 45(l)) is amended in the first sentence by in-  
12 serting “the Commission or” after “brought by”.

Page 1611, beginning on line 7, strike “describing  
the amount” and all that follows through line 10 and in-  
sert

“(i) the amount of currency that will  
be received by the designated recipient,  
using the values of the currency into which  
the funds will be exchanged;

13 “(ii) the total amount of fees charged  
14 by the remittance transfer provider for the  
15 remittance transfer;

16 “(iii) any exchange rate to be used by  
17 the remittance transfer provider for the re-

1                   mittance transfer to the nearest 1/100th of  
2                   a point; and”.

Page 1611. line 21, insert “if either the telephone number or the address of the designated recipient are provided by the sender” before the semicolon.

Page 1616, line 16, strike “may” and insert “shall”.

Page 1618, strike line 3 and all that follows through line 7, and insert the following:

3           (c) REGULATIONS REGARDING NOT-FIXED-ON-SEND  
4 TRANSFERS.—For a remittance transfer where, for any  
5 reason, the exchange rate for the transaction is not fixed  
6 on send and the sender does not know the amount of cur-  
7 rency that will be received by the designated recipient, the  
8 Board shall prescribe regulations

Page 1618, beginning on line 9, strike “to address” and insert “addressing”.

Page 1622, line 10, strike “shall” and insert “may”.

Page 1622, line 16, strike “may” and insert “shall”.

Page 1631, line 16, strike “The Electronic Fund Transfer Act” and insert “(a) IN GENERAL.—The Electronic Fund Transfer Act”.

Page1632, strike line 1 and all that follows through page 1637, line 19, and insert the following:

1           “(1) REGULATORY AUTHORITY OVER INTER-  
2           CHANGE TRANSACTION FEES.—The Board may pre-  
3           scribe regulations, pursuant to section 553 of title 5,  
4           United States Code, regarding any interchange  
5           transaction fee that an issuer may receive or charge  
6           with respect to an electronic debit transaction, to  
7           implement this subsection (including related defini-  
8           tions), and to prevent circumvention or evasion of  
9           this subsection.

10           “(2) REASONABLE INTERCHANGE TRANSACTION  
11           FEES.—The amount of any interchange transaction  
12           fee that an issuer may receive or charge with respect  
13           to an electronic debit transaction shall be reasonable  
14           and proportional to the cost incurred by the issuer  
15           with respect to the transaction.

16           “(3) RULEMAKING REQUIRED.—

17           “(A) IN GENERAL.—The Board shall pre-  
18           scribe regulations in final form not later than  
19           9 months after the date of enactment of the  
20           Consumer Financial Protection Act of 2010, to  
21           establish standards for assessing whether the  
22           amount of any interchange transaction fee de-  
23           scribed in paragraph (2) is reasonable and pro-

1           portional to the cost incurred by the issuer with  
2           respect to the transaction.

3           “(B) INFORMATION COLLECTION.—The  
4           Board may require any issuer (or agent of an  
5           issuer) or payment card network to provide the  
6           Board with such information as may be nec-  
7           essary to carry out the provisions of this sub-  
8           section and the Board, in issuing rules under  
9           subparagraph (A) and on at least a bi-annual  
10          basis thereafter, shall disclose such aggregate  
11          or summary information concerning the costs  
12          incurred, and interchange transaction fees  
13          charged or received, by issuers or payment card  
14          networks in connection with the authorization,  
15          clearance or settlement of electronic debit  
16          transactions as the Board considers appropriate  
17          and in the public interest.

18          “(4) CONSIDERATIONS.—In prescribing regula-  
19          tions under paragraph (3)(A), the Board shall—

20                 “(A) consider the functional similarity be-  
21                 tween—

22                         “(i) electronic debit transactions; and

23                         “(ii) checking transactions that are  
24                         required within the Federal Reserve bank  
25                         system to clear at par;

1 “(B) distinguish between—

2 “(i) the incremental cost incurred by  
3 an issuer for the role of the issuer in the  
4 authorization, clearance, or settlement of a  
5 particular electronic debit transaction,  
6 which cost shall be considered under para-  
7 graph (2); and

8 “(ii) other costs incurred by an issuer  
9 which are not specific to a particular elec-  
10 tronic debit transaction, which costs shall  
11 not be considered under paragraph (2);  
12 and

13 “(C) consult, as appropriate, with the  
14 Comptroller of the Currency, the Board of Di-  
15 rectors of the Federal Deposit Insurance Cor-  
16 poration, the Director of the Office of Thrift  
17 Supervision, the National Credit Union Admin-  
18 istration Board, the Administrator of the Small  
19 Business Administration, and the Director of  
20 the Bureau of Consumer Financial Protection.

21 “(5) ADJUSTMENTS TO INTERCHANGE TRANS-  
22 ACTION FEES FOR FRAUD PREVENTION COSTS.—

23 “(A) ADJUSTMENTS.—The Board may  
24 allow for an adjustment to the fee amount re-

1           ceived or charged by an issuer under paragraph  
2           (2) if—

3                   “(i) such adjustment is reasonably  
4                   necessary to make allowance for costs in-  
5                   curred by the issuer in preventing fraud in  
6                   relation to electronic debit transactions in-  
7                   volving that issuer; and

8                   “(ii) the issuer complies with the  
9                   fraud-related standards established by the  
10                  Board under subparagraph (B), which  
11                  standards shall—

12                           “(I) be designed to ensure that  
13                           any fraud-related adjustment of the  
14                           issuer is limited to the amount de-  
15                           scribed in clause (i) and takes into ac-  
16                           count any fraud-related reimburse-  
17                           ments (including amounts from  
18                           charge-backs) received from con-  
19                           sumers, merchants, or payment card  
20                           networks in relation to electronic debit  
21                           transactions involving the issuer; and

22                           “(II) require issuers to take ef-  
23                           fective steps to reduce the occurrence  
24                           of, and costs from, fraud in relation  
25                           to electronic debit transactions, in-



1 including through the development and  
2 implementation of cost-effective fraud  
3 prevention technology.

4 “(B) RULEMAKING REQUIRED.—

5 “(i) IN GENERAL.—The Board shall  
6 prescribe regulations in final form not later  
7 than 9 months after the date of enactment  
8 of the Consumer Financial Protection Act  
9 of 2010, to establish standards for making  
10 adjustments under this paragraph.

11 “(ii) FACTORS FOR CONSIDER-  
12 ATION.—In issuing the standards and pre-  
13 scribing regulations under this paragraph,  
14 the Board shall consider the following fac-  
15 tors:

16 “(I) The nature, type, and occur-  
17 rence of fraud in electronic debit  
18 transactions.

19 “(II) The extent to which the oc-  
20 currence of fraud depends on whether  
21 authorization in an electronic debit  
22 transaction is based on signature,  
23 PIN, or other means.

24 “(III) The available and economi-  
25 cal means by which fraud on elec-

1           tronic debit transactions may be re-  
2           duced.

3                   “(IV) The fraud prevention and  
4           data security costs expended by each  
5           party involved in electronic debit  
6           transactions (including consumers,  
7           persons who accept debit cards as a  
8           form of payment, financial institu-  
9           tions, retailers and payment card net-  
10          works).

11                   “(V) The costs of fraudulent  
12          transactions absorbed by each party  
13          involved in such transactions (includ-  
14          ing consumers, persons who accept  
15          debit cards as a form of payment, fi-  
16          nancial institutions, retailers and pay-  
17          ment card networks).

18                   “(VI) The extent to which inter-  
19          change transaction fees have in the  
20          past reduced or increased incentives  
21          for parties involved in electronic debit  
22          transactions to reduce fraud on such  
23          transactions.

24                   “(VII) Such other factors as the  
25          Board considers appropriate.

1 “(6) EXEMPTION FOR SMALL ISSUERS.—

2 “(A) IN GENERAL.—This subsection shall  
3 not apply to any issuer that, together with its  
4 affiliates, has assets of less than  
5 \$10,000,000,000, and the Board shall exempt  
6 such issuers from regulations prescribed under  
7 paragraph (3)(A).

8 “(B) DEFINITION.—For purposes of this  
9 paragraph, the term “issuer” shall be limited to  
10 the person holding the asset account that is  
11 debited through an electronic debit transaction.

12 “(7) EXEMPTION FOR GOVERNMENT-ADMINIS-  
13 TERED PAYMENT PROGRAMS AND RELOADABLE PRE-  
14 PAID CARDS.—

15 “(A) IN GENERAL.—This subsection shall  
16 not apply to an interchange transaction fee  
17 charged or received with respect to an electronic  
18 debit transaction in which a person uses—

19 “(i) a debit card or general-use pre-  
20 paid card that has been provided to a per-  
21 son pursuant to a Federal, State or local  
22 government-administered payment pro-  
23 gram, in which the person may only use  
24 the debit card or general-use prepaid card  
25 to transfer or debit funds, monetary value,

1 or other assets that have been provided  
2 pursuant to such program; or

3 “(ii) a plastic card, payment code, or  
4 device that is—

5 “(I) linked to such funds, mone-  
6 tary value, or assets which are pur-  
7 chased or loaded on a prepaid basis;

8 “(II) not issued or approved for  
9 use to access or debit any account  
10 held by or for the benefit of the card  
11 holder (other than a subaccount or  
12 other method of recording or tracking  
13 funds purchased or loaded on the card  
14 on a prepaid basis);

15 “(III) redeemable at multiple,  
16 unaffiliated merchants or service pro-  
17 viders, or automated teller machines;

18 “(IV) used to transfer or debit  
19 funds, monetary value, or other as-  
20 sets; and

21 “(V) reloadable and not mar-  
22 keted or labeled as a gift card or gift  
23 certificate.

24 “(B) EXCEPTION.—Notwithstanding sub-  
25 paragraph (A), after the end of the 1-year pe-

1           riod beginning on the effective date provided in  
2           paragraph (9), this subsection shall apply to an  
3           interchange transaction fee charged or received  
4           with respect to an electronic debit transaction  
5           described in subparagraph (A)(i) in which a  
6           person uses a general-use prepaid card, or an  
7           electronic debit transaction described in sub-  
8           paragraph (A)(ii), if any of the following fees  
9           may be charged to a person with respect to the  
10          card:

11                   “(i) A fee for an overdraft, including  
12                   a shortage of funds or a transaction proc-  
13                   essed for an amount exceeding the account  
14                   balance.

15                   “(ii) A fee imposed by the issuer for  
16                   the first withdrawal per month from an  
17                   automated teller machine that is part of  
18                   the issuer’s designated automated teller  
19                   machine network.

20                   “(C) DEFINITION.—For purposes of sub-  
21                   paragraph (B), the term ‘designated automated  
22                   teller machine network’ means either—

23                           “(i) all automated teller machines  
24                           identified in the name of the issuer; or

1                   “(ii) any network of automated teller  
2                   machines identified by the issuer that pro-  
3                   vides reasonable and convenient access to  
4                   the issuer’s customers.

5                   “(D) REPORTING.—Beginning 12 months  
6                   after the date of enactment of the Consumer  
7                   Financial Protection Act of 2010, the Board  
8                   shall annually provide a report to the Congress  
9                   regarding —

10                   “(i) the prevalence of the use of gen-  
11                   eral-use prepaid cards in Federal, State or  
12                   local government-administered payment  
13                   programs; and

14                   “(ii) the interchange transaction fees  
15                   and cardholder fees charged with respect  
16                   to the use of such general-use prepaid  
17                   cards.

18                   “(8) REGULATORY AUTHORITY OVER NETWORK  
19                   FEES.—

20                   “(A) IN GENERAL.—The Board may pre-  
21                   scribe regulations, pursuant to section 553 of  
22                   title 5, United States Code, regarding any net-  
23                   work fee.

1           “(B) LIMITATION.—The authority under  
2           subparagraph (A) to prescribe regulations shall  
3           be limited to regulations to ensure that—

4                   “(i) a network fee is not used to di-  
5                   rectly or indirectly compensate an issuer  
6                   with respect to an electronic debit trans-  
7                   action; and

8                   “(ii) a network fee is not used to cir-  
9                   cumvent or evade the restrictions of this  
10                  subsection and regulations prescribed  
11                  under such subsection.

12           “(C) RULEMAKING REQUIRED.—The  
13           Board shall prescribe regulations in final form  
14           before the end of the 9-month period beginning  
15           on the date of the enactment of the Consumer  
16           Financial Protection Act of 2010, to carry out  
17           the authorities provided under subparagraph  
18           (A).

19           “(D) EFFECTIVE DATE.—Paragraph (2)  
20           shall take effect at the end of the 12-month pe-  
21           riod beginning on the date of the enactment of  
22           the Consumer Financial Protection Act of  
23           2010.

24           “(b) LIMITATION ON PAYMENT CARD NETWORK RE-  
25           STRICTIONS.—

1           “(1) PROHIBITIONS AGAINST EXCLUSIVITY AR-  
2           RANGEMENTS.—

3           “(A) NO EXCLUSIVE NETWORK.—The  
4           Board shall, before the end of the 1-year period  
5           beginning on the date of the enactment of the  
6           Consumer Financial Protection Act of 2010,  
7           prescribe regulations providing that an issuer or  
8           payment card network shall not directly or  
9           through any agent, processor, or licensed mem-  
10          ber of a payment card network, by contract, re-  
11          quirement, condition, penalty, or otherwise, re-  
12          strict the number of payment card networks on  
13          which an electronic debit transaction may be  
14          processed to—

15                   “(i) 1 such network; or

16                   “(ii) 2 or more such networks which  
17                   are owned, controlled, or otherwise oper-  
18                   ated by —

19                           “(I) affiliated persons; or

20                           “(II) networks affiliated with  
21                           such issuer.

22          “(B) NO ROUTING RESTRICTIONS.—The  
23          Board shall, before the end of the 1-year period  
24          beginning on the date of the enactment of the  
25          Consumer Financial Protection Act of 2010,



1           prescribe regulations providing that an issuer or  
2           payment card network shall not, directly or  
3           through any agent, processor, or licensed mem-  
4           ber of the network, by contract, requirement,  
5           condition, penalty, or otherwise, inhibit the abil-  
6           ity of any person who accepts debit cards for  
7           payments to direct the routing of electronic  
8           debit transactions for processing over any pay-  
9           ment card network that may process such  
10          transactions.

11           “(2) LIMITATION ON RESTRICTIONS ON OFFER-  
12          ING DISCOUNTS FOR USE OF A FORM OF PAY-  
13          MENT.—

14                   “(A) IN GENERAL.—A payment card net-  
15                   work shall not, directly or through any agent,  
16                   processor, or licensed member of the network,  
17                   by contract, requirement, condition, penalty, or  
18                   otherwise, inhibit the ability of any person to  
19                   provide a discount or in-kind incentive for pay-  
20                   ment by the use of cash, checks, debit cards, or  
21                   credit cards to the extent that—

22                           “(i) in the case of a discount or in-  
23                           kind incentive for payment by the use of  
24                           debit cards, the discount or in-kind incen-

1           tive does not differentiate on the basis of  
2           the issuer or the payment card network;

3           “(ii) in the case of a discount or in-  
4           kind incentive for payment by the use of  
5           credit cards, the discount or in-kind incen-  
6           tive does not differentiate on the basis of  
7           the issuer or the payment card network;  
8           and

9           “(iii) to the extent required by Fed-  
10          eral law and applicable State law, such dis-  
11          count or in-kind incentive is offered to all  
12          prospective buyers and disclosed clearly  
13          and conspicuously.

14          “(B) **LAWFUL DISCOUNTS.**—For purposes  
15          of this paragraph, the network may not penalize  
16          any person for the providing of a discount that  
17          is in compliance with Federal law and applica-  
18          ble State law.

19          “(3) **LIMITATION ON RESTRICTIONS ON SET-**  
20          **TING TRANSACTION MINIMUMS OR MAXIMUMS.**—

21          “(A) **IN GENERAL.**—A payment card net-  
22          work shall not, directly or through any agent,  
23          processor, or licensed member of the network,  
24          by contract, requirement, condition, penalty, or  
25          otherwise, inhibit the ability—

1           “(i) of any person to set a minimum  
2           dollar value for the acceptance by that per-  
3           son of credit cards, to the extent that —

4                   “(I) such minimum dollar value  
5                   does not differentiate between issuers  
6                   or between payment card networks;  
7                   and

8                   “(II) such minimum dollar value  
9                   does not exceed \$10.00; or

10           “(ii) of any Federal agency or institu-  
11           tion of higher education to set a maximum  
12           dollar value for the acceptance by that  
13           Federal agency or institution of higher  
14           education of credit cards, to the extent  
15           that such maximum dollar value does not  
16           differentiate between issuers or between  
17           payment card networks.

18           “(B) INCREASE IN MINIMUM DOLLAR  
19           AMOUNT.—The Board may, by regulation pre-  
20           scribed pursuant to section 553 of title 5,  
21           United States Code, increase the amount of the  
22           dollar value listed in subparagraph (A)(i)(II).

23           “(4) RULE OF CONSTRUCTION:—No provision  
24           of this subsection shall be construed to authorize  
25           any person—

1           “(A) to discriminate between debit cards  
2           within a payment card network on the basis of  
3           the issuer that issued the debit card; or

4           “(B) to discriminate between credit cards  
5           within a payment card network on the basis of  
6           the issuer that issued the credit card.

7           “(c) DEFINITIONS.—For purposes of this section, the  
8           following definitions shall apply:

9           “(1) AFFILIATE.—The term ‘affiliate’ means  
10          any company that controls, is controlled by, or is  
11          under common control with another company.

12          “(2) DEBIT CARD.—The term ‘debit card’—  
13               “(A) means any card, or other payment  
14               code or device, issued or approved for use  
15               through a payment card network to debit an  
16               asset account (regardless of the purpose for  
17               which the account is established), whether au-  
18               thorization is based on signature, PIN, or other  
19               means;

20               “(B) includes a general-use prepaid card,  
21               as that term is defined in section 915(a)(2)(A);  
22               and

23               “(C) does not include paper checks.

24          “(3) CREDIT CARD.—The term ‘credit card’ has  
25          the same meaning as in section 103 .

1 “(4) DISCOUNT.—The term ‘discount’—

2 “(A) means a reduction made from the  
3 price that customers are informed is the regular  
4 price; and

5 “(B) does not include any means of in-  
6 creasing the price that customers are informed  
7 is the regular price.

8 “(5) ELECTRONIC DEBIT TRANSACTION.—The  
9 term ‘electronic debit transaction’ means a trans-  
10 action in which a person uses a debit card.

11 “(6) FEDERAL AGENCY.—The term ‘Federal  
12 agency’ means—

13 “(A) an agency (as defined in section 101  
14 of title 31, United States Code); and

15 “(B) a Government corporation (as defined  
16 in section 103 of title 5, United States Code).

17 “(7) INSTITUTION OF HIGHER EDUCATION.—  
18 The term ‘institution of higher education’ has the  
19 same meaning as in 101 and 102 of the Higher  
20 Education Act of 1965 (20 U.S.C. 1001, 1002).

21 “(8) INTERCHANGE TRANSACTION FEE.—The  
22 term ‘interchange transaction fee’ means any fee es-  
23 tablished, charged or received by a payment card  
24 network for the purpose of compensating an issuer  
25 for its involvement in an electronic debit transaction.

1           “(9) ISSUER.—The term ‘issuer’ means any  
2           person who issues a debit card, or credit card, or the  
3           agent of such person with respect to such card.

4           “(10) NETWORK FEE.—The term ‘network fee’  
5           means any fee charged and received by a payment  
6           card network with respect to an electronic debit  
7           transaction, other than an interchange transaction  
8           fee.

9           “(11) PAYMENT CARD NETWORK.—The term  
10          ‘payment card network’ means an entity that di-  
11          rectly, or through licensed members, processors, or  
12          agents, provides the proprietary services, infrastruc-  
13          ture, and software that route information and data  
14          to conduct debit card or credit card transaction au-  
15          thorization, clearance, and settlement, and that a  
16          person uses in order to accept as a form of payment  
17          a brand of debit card, credit card or other device  
18          that may be used to carry out debit or credit trans-  
19          actions.

20          “(d) ENFORCEMENT.—

21                 “(1) IN GENERAL.—Compliance with the re-  
22                 quirements imposed under this section shall be en-  
23                 forced under section 918.

1           “(2) EXCEPTION.—Sections 916 and 917 shall  
2           not apply with respect to this section or the require-  
3           ments imposed pursuant to this section.”.

4           (b) AMENDMENT TO THE FOOD AND NUTRITION ACT  
5 OF 2008.—Section 7(h)(10) of the Food and Nutrition  
6 Act of 2008 (7 U.S.C. 2016(h)(10)) is amended to read  
7 as follows:

8           “10 FEDERAL LAW NOT APPLICABLE.—Section  
9           920 of the Electronic Fund Transfer Act shall not  
10          apply to electronic benefit transfer or reimbursement  
11          systems under this Act.”.

12          (c) AMENDMENT TO THE FARM SECURITY AND  
13 RURAL INVESTMENT ACT OF 2002.—Section 4402 of the  
14 Farm Security and Rural Investment Act of 2002 (7  
15 U.S.C. 3007) is amended by adding at the end the fol-  
16 lowing new subsection:

17          “(f) FEDERAL LAW NOT APPLICABLE.—Section 920  
18 of the Electronic Fund Transfer Act shall not apply to  
19 electronic benefit transfer systems established under this  
20 section.”.

21          (d) AMENDMENT TO THE CHILD NUTRITION ACT OF  
22 1966.—Section 11 of the Child Nutrition Act of 1966 (42  
23 U.S.C. 1780) is amended by adding at the end the fol-  
24 lowing:

1       “(c) FEDERAL LAW NOT APPLICABLE.—Section 920  
2 of the Electronic Fund Transfer Act shall not apply to  
3 electronic benefit transfer systems established under this  
4 Act or the Richard B. Russell National School Lunch Act  
5 (42 U.S.C. 1751 et seq.).”.

Page 1639, after line 7, insert the following new section (and redesignate subsequent sections accordingly):

6 **SEC. 1078. REVERSE MORTGAGE STUDY AND REGULATIONS.**

7       (a) STUDY.—Not later than 1 year after the designated transfer date, the Bureau shall conduct a study  
8 on reverse mortgage transactions.  
9

10       (b) REGULATIONS.—

11           (1) IN GENERAL.—If the Bureau determines  
12 through the study required under subsection (a) that  
13 conditions or limitations on the reverse mortgage  
14 transactions are necessary or appropriate for accomplishing the purposes and objectives of this title, including protecting borrowers with respect to the obtaining of reverse mortgage loans for the purpose of  
15 funding investments, annuities, and other investment  
16 products and the suitability of a borrower in obtaining a reverse mortgage for such purpose.  
17  
18  
19  
20

21           (2) IDENTIFIED PRACTICES AND INTEGRATED  
22 DISCLOSURES.—The regulations prescribed under



1 paragraph (1) may, as the Bureau may so deter-  
2 mine—

3 (A) identify any practice as unfair, decep-  
4 tive, or abusive in connection with a reverse  
5 mortgage transaction; and

6 (B) provide for an integrated disclosure  
7 standard and model disclosures for reverse  
8 mortgage transactions, consistent with section  
9 4302(d), that combines the relevant disclosures  
10 required under the Truth in Lending Act (15  
11 U.S.C. 1601 et seq.) and the Real Estate Set-  
12 tlement Procedures Act, with the disclosures re-  
13 quired to be provided to consumers for Home  
14 Equity Conversion Mortgages under section 255  
15 of the National Housing Act.

16 (c) RULE OF CONSTRUCTION.—This section shall not  
17 be construed as limiting the authority of the Bureau to  
18 issue regulations, orders, or guidance that apply to reverse  
19 mortgages prior to the completion of the study required  
20 under subsection (a).

Page 1642, after line 21, insert the following new  
section:

1 **SEC. 1079A REVIEW, REPORT, AND PROGRAM WITH RE-**  
2 **SPECT TO EXCHANGE FACILITATORS.**

3 (a) REVIEW.—The Director shall review all Federal  
4 laws and regulations relating to the protection of con-  
5 sumers who use exchange facilitators for transactions pri-  
6 marily for personal, family, or household purposes.

7 (b) REPORT.—Not later than 1 year after the des-  
8 ignated transfer date of this subtitle, the Director shall  
9 submit to Congress a report describing—

10 (1) recommendations for legislation to ensure  
11 the appropriate protection of consumers who use ex-  
12 change facilitators for transactions primarily for per-  
13 sonal, family, or household purposes;

14 (2) recommendations for updating the regula-  
15 tions of Federal departments and agencies to ensure  
16 the appropriate protection of such consumers; and

17 (3) recommendations for regulations to ensure  
18 the appropriate protection of such consumers.

19 (c) PROGRAM.—Not later than 2 years after the date  
20 of the submission of the report under subsection (b), the  
21 Bureau shall, consistent with subtitle B, propose regula-  
22 tions or otherwise establish a program to protect con-  
23 sumers who use exchange facilitators.

24 (d) EXCHANGE FACILITATOR DEFINED.—In this sec-  
25 tion, the term “exchange facilitator” means a person  
26 that—

1           (1) facilitates, for a fee, an exchange of like  
2           kind property by entering into an agreement with a  
3           taxpayer by which the exchange facilitator acquires  
4           from the taxpayer the contractual rights to sell the  
5           taxpayer's relinquished property and transfers a re-  
6           placement property to the taxpayer as a qualified  
7           intermediary (within the meaning of Treasury Regu-  
8           lations section 1.1031(k)-1(g)(4)) or enters into an  
9           agreement with the taxpayer to take title to a prop-  
10          erty as an exchange accommodation titleholder  
11          (within the meaning of Revenue Procedure 2000-37)  
12          or enters into an agreement with a taxpayer to act  
13          as a qualified trustee or qualified escrow holder  
14          (within the meaning of Treasury Regulations section  
15          1.1031(k)-1(g)(3));

16          (2) maintains an office for the purpose of solie-  
17          iting business to perform the services described in  
18          paragraph (1); or

19          (3) advertises any of the services described in  
20          paragraph (1) or solicits clients in printed publica-  
21          tions, direct mail, television or radio advertisements,  
22          telephone calls, facsimile transmissions, or other  
23          electronic communications directed to the general  
24          public for purposes of providing any such services.

Page 1647, line 22, insert “and section 920 (as added by section 1076)”.

Page 1648, strike line 8 and all that follows through line 15 and insert the following:

1           (3) in section 904 (15 U.S.C. 1693b)—

2           (A) in subsection (a), by striking “(a)

3           PRESCRIPTION BY BOARD.—The Board shall

4           prescribe regulations to carry out the purposes

5           of this title.” and inserting the following:

6           “(a) PRESCRIPTION BY THE BUREAU AND THE

7           BOARD.—The Bureau and the Board shall prescribe regu-

8           lations to carry out the purposes of this title, except that

9           the Board shall have sole authority to prescribe regula-  
10          tions to carry out the purposes of section 920.”; and

11          (B) by adding at the end the following new

12          subsection:

13          “(e) DEFERENCE.—No provision of this title may be

14          construed as altering, limiting, or otherwise affecting the

15          deference that a court affords to—

16          “(1) the Bureau in making determinations re-

17          garding the meaning or interpretation of any provi-

18          sion of this title for which the Bureau has authority

19          to prescribe regulations; or

1           “(2) the Board in making determinations re-  
2           garding the meaning or interpretation of section  
3           920.”.

Page 1650, line 24, strike “subtitle E.” and insert  
“subtitle E, except that the Bureau shall not have au-  
thority to enforce the requirements of section 920 or any  
regulations prescribed by the Board under section 920.”

Page 1701, line 2, strike “The Truth in Lending  
Act” and insert “(a) IN GENERAL.—The Truth in Lend-  
ing Act”.

Page 1715, after line 14, insert the following new  
subsections:

4           (b) INSTITUTIONAL CERTIFICATION REQUIRED.—  
5 Section 128(e) of the Truth in Lending Act is amended—

6           (1) by striking paragraph (3) and inserting the  
7           following new paragraph (3):

8           “(3) INSTITUTIONAL CERTIFICATION RE-  
9           QUIRED.—

10           “(A) IN GENERAL.—Except as provided in  
11           subparagraph (B), before a creditor may issue  
12           any funds with respect to an extension of credit  
13           described in paragraph (1), the creditor shall  
14           obtain from the relevant institution of higher  
15           education such institution’s certification—

1           “(i) of the enrollment status of the  
2 borrower;

3           “(ii) of the borrower’s cost of attend-  
4 ance at the institution as determined by  
5 the institution under part F of title IV of  
6 the Higher Education Act of 1965;

7           “(iii) of the difference between the  
8 borrower’s cost of attendance and the bor-  
9 rower’s estimated financial assistance re-  
10 ceived under title IV of the Higher Edu-  
11 cation Act of 1965 and other assistance  
12 known to the institution, as applicable; and

13           “(iv) that the institution has—

14           “(I) informed the borrower—

15           “(aa) about the availability  
16 of, and the borrower’s potential  
17 eligibility for, Federal financial  
18 assistance under this title, includ-  
19 ing disclosing the terms, condi-  
20 tions, and interest rates of Fed-  
21 eral student loans;

22           “(bb) of the borrower’s abil-  
23 ity to select a private educational  
24 lender of the borrower’s choice;

1           “(cc) about the impact of a  
2           proposed private education loan  
3           on the borrowers’ potential eligi-  
4           bility for other financial assist-  
5           ance, including Federal financial  
6           assistance under the Higher Edu-  
7           cation Act of 1965; and

8           “(dd) about a borrower’s  
9           right to accept or reject a private  
10          education loan within the 30-day  
11          period following a private edu-  
12          cational lender’s approval of a  
13          borrower’s application and about  
14          a borrower’s 3-day right to cancel  
15          altogether;

16          “(II) determined whether the  
17          borrower has applied for and ex-  
18          hausted the Federal financial assist-  
19          ance available to the borrower under  
20          the Higher Education Act of 1965  
21          and informed the borrower accord-  
22          ingly; and

23          “(III) counseled the borrower on  
24          the borrower’s financial aid options.

1           “(B) FAILURE TO PROVIDE TIMELY CER-  
2           TIFICATION.—A creditor may issue funds with  
3           respect to an extension of credit described in  
4           paragraph (1) without obtaining from the rel-  
5           evant institution of higher education such insti-  
6           tution’s certification if such institution fails to  
7           provide such certification within 21 calendar  
8           days or 15 business days, whichever comes first,  
9           of the creditor’s request for such certification.”;  
10          (2) by redesignating paragraphs (9), (10), and  
11          (11) as paragraphs (10), (11), and (12), respec-  
12          tively; and  
13          (3) by inserting after paragraph (8) the fol-  
14          lowing new paragraph (9):  
15          “(9) PROVISION OF INFORMATION.—On or be-  
16          fore the date a creditor issues any funds with re-  
17          spect to an extension of credit described in para-  
18          graph (1), the creditor shall notify the relevant insti-  
19          tution of higher education, in writing, of the amount  
20          of the extension of credit and the student on whose  
21          behalf credit is extended. The form of such written  
22          notification shall be subject to the regulations of the  
23          Agency.”.  
24          (c) REGULATIONS.—



1           (1) DEADLINE FOR REGULATIONS.—Not later  
2 than 365 days after the date of enactment of this  
3 Act, the Agency shall issue regulations in final form  
4 to implement paragraphs (3) and (9) of section  
5 128(e) of the Truth in Lending Act, as amended by  
6 subsection (b). Such regulations shall become effec-  
7 tive not later than 6 months after their date of  
8 issuance.

9           (2) EFFECTIVE DATE.—The regulations in ef-  
10 fect pursuant to section 128(e) of the Truth in  
11 Lending Act as of the date of the enactment of this  
12 Act shall remain in effect until the effective date of  
13 the regulations issued under paragraph (1).

Page 1721, strike line 3 and all that follows through  
page 1722, line 25.

