

PROVIDING FOR FURTHER CONSIDERATION OF THE BILL (H.R. 627) TO AMEND THE TRUTH IN LENDING ACT TO ESTABLISH FAIR AND TRANSPARENT PRACTICES RELATING TO THE EXTENSION OF CREDIT UNDER AN OPEN END CONSUMER CREDIT PLAN, AND FOR OTHER PURPOSES

APRIL 29, 2009.—Referred to the House Calendar and ordered to be printed

Mr. PERLMUTTER, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 379]

The Committee on Rules, having had under consideration House Resolution 379, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for further consideration of H.R. 627, the “Credit Cardholders’ Bill of Rights Act of 2009,” under a structured rule. The resolution provides that no general debate shall be in order pursuant to this resolution. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. The rule waives all points of order against the amendment in the nature of a substitute except for clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).

The rule makes in order only those amendments printed in this report. The amendments made in order may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. All points of order against the amendments except for clauses 9 and 10 of rule XXI are waived. The rule provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the rule waives all points of order against the amendment in the nature of a substitute (except for clause 10 of rule XXI), the Committee is not aware of any points of order. The waiver of all points of order is prophylactic.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 78

Date: April 29, 2009.

Measure: H.R. 627.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Sessions (TX), #2, which would amend the Emergency Economic Stabilization Act to prohibit the Treasury Department from using TARP funds to purchase common stock in financial companies.

Results: Defeated 3–7.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Dreier—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

Rules Committee record vote No. 79

Date: April 29, 2009.

Measure: H.R. 627.

Motion by: Mr. Sessions.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Price, Tom (GA), #1, which would prevent class action lawsuits from being brought against an issuer under the legislation.

Results: Defeated 3–7.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Dreier—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

SUMMARY OF AMENDMENTS TO BE MADE IN ORDER

1. Gutierrez (IL) Would allow issuers to charge consumers for expedited payments by telephone when consumers request such an expedited payment, and would make technical corrections; would require that all credit card offers notify prospective applicants that excessive credit applications can adversely affect their credit rating; would direct the Board of Governors of the Federal Reserve to suggest appropriate guidelines for creditors to supply cardholders with information regarding the availability of legitimate and accredited credit counseling services; would require all written information, provisions, and terms in or on any application, solicitation, contract, or agreement for any credit card account under an open end consumer credit to appear in no less than 12 point font; and would require that stores who are self-issuers of credit cards display a large visible sign at counters with the same information that is required to be disclosed on the application itself. (20 minutes)

2. Frank (MA) Would require the Federal Reserve 1) to review the consumer credit card market, including through solicitation of public comment, and report to Congress every two years; 2) publish a summary of this review in the Federal Register, along with proposed regulatory changes (or an explanation for why no such changes are proposed). The amendment also requires the Federal banking agencies and the FTC to submit to the Federal Reserve, for inclusion in the Federal Reserve's annual report to Congress, information about the agencies' supervisory and enforcement activities related to credit card issuers' compliance with consumer protection laws. (10 minutes)

3. Slaughter (NY)/Duncan (TN)/Alcee Hastings (FL)/Johnson (GA)/Christensen (VI) Would set underwriting standards for students' credit cards, including limiting credit lines to the greater of 20 percent of a student's annual income or \$500, without a co-signer and requiring creditors to obtain a proof of income, income history, and credit history from college students before approving credit applications. (10 minutes)

4. Gutierrez (IL)/Gary Peters (MI)/Donna Edwards (MD) Would require credit card issuers to allocate payments in excess of the minimum payment to the portion of the remaining balance with the highest outstanding APR first, and then to any remaining balances in descending order, eliminating the pro rata option. (10 minutes)

5. Chellie Pingree (ME) Would require the Chair of the Federal Reserve to submit a report on the level of implementation of this bill every 90 days until the Chair can report full industry implementation. (10 minutes)

6. Polis (CO) Would clarify that minors are allowed to have a credit card in their name on their parent or legal guardian's account. (10 minutes)

7. Jones (NC) Would require the Federal Reserve Board, in consultation with the Federal Trade Commission and other agencies, to establish regulations that would allow estate administrators to resolve outstanding credit balances in a timely manner. (10 minutes)

8. Maloney (NY)/Watson (CA) Would require credit cardholders to opt-into receiving over-the-limit protection on their credit card in order for a credit card company to charge an over-the-limit fee. Allows for transactions that go over the limit to be completed for operational reasons as long as they are of a de minimis amount, but the credit card company is not allowed to charge a fee. (10 minutes)

9. Hensarling (TX) Would allow issuers to raise rates on existing balances if they provide consumers clear notification 90 days in advance, provided that the issuer has previously specified this ability to consumers in their contract and at least once every year thereafter. (10 minutes)

10. Hensarling (TX) Would allow creditors to use retroactive rate increases, universal default, and 'double cycle billing' practices as long as they offer at least one card option that does not have those billing features to all of their existing customers. (10 minutes)

11. Minnick (ID) Would provide that the amount of a balance as of the 7-day mark, instead of the 14-day mark, following a notice

of a rate increase would be protected from the rate increase. (10 minutes)

12. David Price (NC)/Brad Miller (NC)/James Moran (VA)/Quigley (IL)/Lowey (NY)/Stupak (MI)/Sutton (OH) Would require credit card issuers to provide enhanced disclosure to consumers regarding minimum payments, including a written Minimum Payment Warning statement on all monthly statements as well as information regarding the monthly payment amount and total cost that would be required for the consumer to eliminate the outstanding balance in 12, 24 and 36. Would require credit card issuers to provide a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services. (10 minutes)

13. Susan Davis (CA)/Carney (PA) Would require card issuers to notify cardholders 30 days before closing their accounts, the reason for the account closure, options to keep the account open, programs available to repay the balance, and the resulting impact on their credit score. (10 minutes)

14. Perriello (VA) Would require a 6-month period for a promotional rate for credit cards before the standard rate may be increased. (10 minutes)

15. Schauer (MI) Would require creditors to post their credit card written agreements on their websites, and requires the Board to compile and report those agreements on its website. (10 minutes)

16. Harry Teague (NM)/Nye (VA)/Boccieri (OH)/Larry Kissell (NC) Would restrict credit card issuers from making adverse reports to credit rating agencies regarding deployed military service members and disabled veterans during the first two years of their disability. (10 minutes)

17. Schock (IL) Would allow consumers who have not activated an issued credit card within 45 days, to contact the issuing institution to cancel the card and have it removed from their credit report entirely. If after 45 days the card has not been activated it is automatically removed from any such report. (10 minutes)

TEXT OF AMENDMENTS TO BE MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GUTIERREZ OF ILLINOIS, OR HIS DESIGNEE, DEBATABLE FOR 20 MINUTES

At the end of section 3, insert the following new subsection:

(i) AVAILABILITY OF LEGITIMATE AND ACCREDITED CREDIT COUNSELING.—The Board of Governors of the Federal Reserve System shall suggest appropriate guidelines for creditors to follow with respect to credit card accounts under open end consumer credit plans to supply consumer cardholders with information regarding the availability of legitimate and accredited credit counseling services.

Strike section 8 of the bill and insert the following new sections (and redesignate succeeding sections accordingly):

SEC. 8. PROHIBIT FEES FOR PAYMENT ON CREDIT CARD ACCOUNTS BY TELEPHONE OR ELECTRONIC FUND TRANSFERS.

Section 164 of the Truth in Lending Act (15 U.S.C. 1666c) is amended—

(1) by striking “Payments received” and inserting “(a) IN GENERAL.—Payments received”; and

(2) by adding at the end the following new subsection:

“(b) PAYMENT FEES.—

“(1) PROHIBITION ON FEE BASED ON MODE OF PAYMENT.—Except as provided in paragraph (2), in the case of a credit card account under an open end consumer credit plan, a creditor may not impose a fee on the obligor based on the particular manner in which the obligor makes a payment on such account.

“(2) EXCEPTION.—If the obligor requests to make an expedited payment on a credit card account under an open end consumer credit plan by telephone on the date that a payment is due, or the day immediately preceding such date, the creditor may assess a fee for crediting the payment to the obligor’s account on or by such date.”.

SEC. 9. SOLICITATIONS REQUIRED TO INCLUDE WARNING ON ADVERSE EFFECTS OF EXCESSIVE CREDIT INQUIRIES.

Section 127(c)(1)(B) of the Truth in Lending Act (15 U.S.C. 1637(c)(1)(B)) is amended by adding at the end the following new clause:

“(iv) EXCESSIVE CREDIT INQUIRIES.—A warning that excessive credit inquiries, which occur in connection with credit applications and solicitations and under other circumstances, can have an adverse effect on a consumer credit score.”.

SEC. 10. READABILITY REQUIREMENT.

Section 122 of the Truth in Lending Act (U.S.C. 1632) is amended by adding at the end the following new subsection:

“(d) MINIMUM TYPE-SIZE AND FONT REQUIREMENT FOR CREDIT CARD APPLICATIONS AND DISCLOSURES.—All written information, provisions, and terms in or on any application, solicitation, contract, or agreement for any credit card account under an open end consumer credit plan, and all written information included in or on any disclosure required under this chapter with respect to any such account, shall appear—

“(1) in not less than 12-point type; and

“(2) in any font other than a font which the Board has designated, in regulations under this section, as a font that inhibits readability.”.

Insert at the end the following new section:

SEC. 13. DISCLOSURE REQUIREMENT FOR STORES ACCEPTING CREDIT CARD ACCOUNT APPLICATIONS.

(a) IN GENERAL.—Section 122 of the Truth in Lending Act (15 U.S.C. 1632) is amended by adding at the end the following:

“(d) SIGNS REQUIRED ON CERTAIN PREMISES WHERE CREDIT CARD ACCOUNT APPLICATIONS ACCEPTED.—

“(1) IN GENERAL.—A person who sells personal property to consumers on a business premises and makes available to consumers on such premises any application to open a credit card account under an open end consumer credit plan, and where such person is the issuer of such account, shall display in the premises on a sign any information that is subject to subsection (c) and that is required to be disclosed by the person on that application.

“(2) FORMAT.—Such information shall be displayed on the sign in the form and manner which the Board shall prescribe

by regulations and which, to the extent practicable and appropriate, shall be consistent with the form and manner required for the disclosure of such information on the credit card application.

“(3) SIGN PLACEMENT.—Such signs shall be conspicuously placed at each location on the premises where the credit card application may be submitted by the consumer.”

(b) CONFORMING AMENDMENT.—Section 111(e) of the Truth in Lending Act (15 U.S.C. 1610(e)) is amended by adding at the end the following:

“Section 122(d) shall supersede State laws relating to store display of the information that is subject to the requirements of such section, except that any State may employ or establish State laws for the purpose of enforcing the requirements of such section.”

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FRANK OF MASSACHUSETTS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

After section 8, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 9. BOARD REVIEW OF CONSUMER CREDIT PLANS AND REGULATIONS.

(a) REQUIRED REVIEW.—Not later than 2 years after the effective date of this Act and every 2 years thereafter, except as provided in subsection (c)(2), the Board shall conduct a review, within the limits of its existing resources available for reporting purposes, of the consumer credit card market including—

(1) the terms of credit card agreements and the practices of credit card issuers;

(2) the effectiveness of disclosure of terms, fees, and other expense of credit card plans;

(3) the adequacy of protections against unfair or deceptive acts or practices relating to credit card plans, and

(4) whether or not, and to what extent, the Credit Cardholders’ Bill of Rights Act of 2009 has resulted in—

(A) higher annual percentage rates of interest, on average, for credit card users than the average of such rates of interest in effect before the effective date of the Act;

(B) the imposition of annual fees or other credit card fees—

(i) that did not exist before such effective date;

(ii) at a higher average rate of applicability than existed before such effective date; or

(iii) with higher average costs to the consumer than were in effect before such effective date;

(C) an increase in the rate of denial of—

(i) new credit card accounts for consumers; or

(ii) new extensions of credit, or additional lines of credit, for existing credit accounts established before such effective date; or

(D) any other adverse or negative condition or effect on consumers.

(b) SOLICITATION OF PUBLIC COMMENT.—In connection with conducting the review required by subsection (a), the Board shall so-

licit comment from consumers, credit card issuers, and other interested parties, such as through hearings or written comments.

(c) REGULATIONS.—

(1) NOTICE.—Following the review required by subsection (a) the Board shall publish a notice in the Federal Register that—

(A) summarizes the review, the comments received from the public solicitation, and other evidence gathered by the Board such as through consumer testing or other research; and

(B) either—

(i) proposes new or revised regulations or interpretations to update or revise disclosures and protections for consumer credit cards as appropriate; or

(ii) states the reason for the Board's determination that new or revised regulations are not proposed.

(2) REVISION OF REVIEW PERIOD FOLLOWING MATERIAL REVISION OF REGULATIONS.—In the event the Board materially revises regulations on consumer credit card plans, a review need not be conducted until 2 years following the effective date of the revised regulations, which thereafter shall become the new date for the biennial review required by subsection (a).

(d) BOARD REPORT TO THE CONGRESS.—The Board shall report to the Congress no less frequently than every 2 years, except as provided in subsection (c)(2), on the status of its most recent review, its efforts to address any issues identified from the review, and any recommendations for legislation.

(e) ADDITIONAL REPORTING.—The Federal banking agencies and the Federal Trade Commission shall provide annually to the Board, and the Board shall include in its annual report to Congress under section 10 of the Federal Reserve Act, information about the supervisory and enforcement activities of the agencies with respect to credit card issuers' compliance with applicable Federal consumer protection statutes and regulations including—

(1) this Act, the amendments made by this Act, and regulations prescribed under this Act and such amendments; and

(2) section 5 of the Federal Trade Commission Act, and regulations prescribed under the Federal Trade Commission Act, such as part 227 of title 12 of the Code of Federal Regulations as prescribed by the Board (Regulation AA).

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SLAUGHTER OF NEW YORK, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

In that portion of section 7 that precedes the amendment adding a new paragraph (8), strike “paragraph” and insert “paragraphs”.

At the end of the paragraph (8) added by the amendment made by section 7, strike the closing quotation marks and the 2nd period.

After paragraph (8) of section 127(c) of the Truth in Lending Act (as added by the amendment made by section 7), insert the following new paragraph:

“(9) PROVISIONS APPLICABLE WITH REGARD TO THE ISSUANCE OF CREDIT CARDS TO FULL-TIME, TRADITIONAL-AGED COLLEGE STUDENTS.—

“(A) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

“(i) COLLEGE STUDENT CREDIT CARD ACCOUNT DEFINED.—The term ‘college student credit card account’ means a credit card account under an open end consumer credit plan established or maintained for or on behalf of any college student.

“(ii) COLLEGE STUDENT.—The term ‘college student’ means an individual—

“(I) who is a full-time student attending an institution of higher education; and

“(II) who has attained the age of 18 and has not yet attained the age of 21.

“(iii) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the same meaning as in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

“(B) MAXIMUM AMOUNT LIMITATION AS A PERCENTAGE OF GROSS INCOME.—Unless a parent, legal guardian, or spouse of a college student assumes joint liability for debts incurred by the student in connection with a college student credit card account—

“(i) the amount of credit which may be extended by any one creditor to the full-time college student may not exceed, during any full calendar year, the greater of—

“(I) 20 percent of the annual gross income of the student; or

“(II) \$500; and

“(ii) no creditor shall grant a student a credit card account, if the credit limit for that credit card account, combined with the credit limits of any other credit card accounts held by the student, would exceed 30 percent of the annual gross income of the student in the most recently completed calendar year.

“(C) PARENTAL APPROVAL REQUIRED TO INCREASE CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS JOINTLY LIABLE.—No increase may be made in the amount of credit authorized to be extended under a college student credit card account for which a parent, legal guardian, or spouse of the consumer has assumed joint liability for debts incurred by the consumer in connection with the account, before the consumer attains the age of 21, with respect to such consumer, unless the parent, guardian, or spouse of the consumer, as applicable, approves in writing, and assumes joint liability for, such increase.

“(D) INCOME VERIFICATION.—For purposes of this paragraph, a creditor shall require adequate proof of income, income history, and credit history, subject to the rules of the Board, before any college student credit card account may be opened by or on behalf of a student.

“(E) PROHIBITION ON MORE THAN 1 CREDIT CARD ACCOUNT FOR ANY COLLEGE STUDENT.—No creditor may open a credit card account for, or issue any credit card to, any college student who—

- “(i) has no verifiable annual gross income; and
 - “(ii) already maintains a credit card account under an open end consumer credit plan with that creditor, or any affiliate thereof.
- “(F) EXEMPTION AUTHORITY.—The Board may, by rule, provide for exemptions to the provisions of this paragraph, as deemed necessary or appropriate by the Board, consistent with the purposes of this paragraph.”.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GUTIERREZ OF ILLINOIS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In paragraph (1) of subsection (j) of section 127B of the Truth in Lending Act (as added by section 3(f) of the bill) strike “minimum payment shall be applied”, where such term appears in the matter preceding subparagraph (A), and all that follows through the end of subparagraph (B) of such paragraph and insert “minimum payment shall be allocated first to the balance with the highest annual percentage rate and any remaining portion is allocated to any other balance in descending order, based on the applicable annual percentage rate each portion of such balance bears, from the highest such rate to the lowest”.

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PINGREE OF MAINE, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

After section 9, insert the following new section (and redesignate the subsequent section accordingly):

SEC. 10. INTERIM IMPLEMENTATION REPORTS TO THE CONGRESS.

The Chairman of the Board of Governors of the Federal Reserve System shall submit a report each 90 days after the date of the enactment of this Act on the level of implementation of the regulations required to be prescribed under this Act to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate until the Chairman can report full industry implementation

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE POLIS OF COLORADO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In subparagraph (A) of the new paragraph (8) added to section 127(c) of the Truth in Lending Act by section 7 of the bill, insert “or the parent or legal guardian of such consumer is designated as the primary account holder” before the period at the end.

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JONES OF NORTH CAROLINA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

After section 9, insert the following new section (and redesignate the subsequent sections accordingly):

SEC. 9. PROCEDURE FOR TIMELY SETTLEMENTS OF DECEDENT OBLIGORS' ESTATES.

(a) IN GENERAL.—Chapter 2 of the Truth in Lending Act (U.S.C. 1631 et seq.) is amended by adding at the end the following new section:

“§ 140A Procedure for timely settlements of decedent obligors' estates

“The Board, in consultation with the Federal Trade Commission and each other agency referred to in section 108(a), shall prescribe regulations to require any creditor, with respect to any credit card account under an open end consumer credit plan, to establish procedures to ensure that any administrator of an estate of any deceased obligor with respect to such account can resolve outstanding credit balances in a timely manner.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 2 of the Truth in Lending Act is amended by inserting after the item relating to section 140 the following new item:

“140A. Procedure for timely settlements of decedent obligors' estates.”.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MALONEY OF NEW YORK, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike out subsection (m) of section 127B of the Truth in Lending Act (as added by section 4 of the bill) and insert the following new subsection:

“(m) OPT-IN REQUIRED FOR OVER-THE-LIMIT TRANSACTIONS IF FEES ARE IMPOSED.—

“(1) IN GENERAL.—In the case of any credit card account under an open end consumer credit plan under which an over-the-limit-fee may be imposed by the creditor for any extension of credit in excess of the amount of credit authorized to be extended under such account, no such fee shall be charged unless the consumer has elected to permit the creditor, with respect to such account, to complete transactions involving the extension of credit, with respect to such account, in excess of the amount of credit authorized.

“(2) DISCLOSURE BY CREDITOR.—No election by a consumer under paragraph (1) shall take effect unless the consumer, before making such election, received a notice from the creditor of any over-the-limit fee in the form and manner, and at the time, determined by the Board.

“(3) FORM OF ELECTION.—A consumer may make the election referred to in paragraph (1) orally or in writing.

“(4) TIME OF ELECTION.—A consumer may make the election referred to in paragraph (1) at any time and it shall be effective until the election is revoked by the consumer orally or in writing.

“(5) REGULATIONS.—

“(A) IN GENERAL.—The Board shall issue regulations allowing for the completion of over-the-limit transactions that for operational reasons exceed the credit limit by a de minimis amount, even where the cardholder has not made an election under paragraph (1).

“(B) SUBJECT TO NO FEE LIMITATION.—The regulations prescribed under subparagraph (A) shall not allow for the imposition of any fee or any rate increase based on the permitted over-the-limit transactions with respect to the account of any cardholder who has not made the election in paragraph (1).

“(C) DISCLOSURES.—The Board shall prescribe regulations governing any disclosure under this subsection.”.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HENSARLING OF TEXAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In subsection (b) of section 127B of the Truth in Lending Act (as added by section 2(b) of the bill), insert after subparagraph (D) the following new subparagraph:

“(E) TRANSPARENT ADVANCED NOTICE OF RATE INCREASE.—Notification of the increase is provided to the consumer in writing, in clear and conspicuous language, at least 90 days before the increase is scheduled to take effect, provided that the applicability of this exception is fully described to the consumer in their contract and at least once annually thereafter, in a clear and conspicuous manner.”.

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HENSARLING OF TEXAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In subsection (b) of section 127B of the Truth in Lending Act (as added by section 2(b) of the bill), insert the following new paragraph after paragraph (1) (and redesignate the subsequent paragraphs accordingly):

“(2) NONAPPLICABILITY TO CERTAIN CREDITORS WHO MAKE AVAILABLE ALTERNATIVE CARD OPTIONS.—The limitations on retroactive rate increases and universal default shall not apply to any creditor that offers a credit card account to consumers under an open end consumer credit plan to the extent such creditor—

“(A) makes at least 1 credit card option available to 100 percent of the creditor’s existing consumers that does not feature retroactive rate increases or universal default billing practice; and

“(B) provides clear and conspicuous notice of the availability of a credit card option referred to in subparagraph (A) to the consumer customers of such creditor at least once annually.”.

In subsection (e) of section 127B of the Truth in Lending Act (as added by section 3(a) of the bill), insert after paragraph (3) the following new paragraph:

“(4) NONAPPLICABILITY TO CERTAIN CREDITORS WHO MAKE AVAILABLE ALTERNATIVE CARD OPTIONS.—The limitation on double cycle billing shall not apply to any creditor that offers a credit card account to consumers under an open end consumer credit plan to the extent such creditor—

“(A) makes at least 1 credit card option available to 100 percent of the creditor’s existing consumers that does not feature double cycle billing; and

“(B) provides clear and conspicuous notice of the availability of a credit card option referred to in subparagraph (A) to the consumer customers of such creditor at least once annually.”.

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MINNICK OF IDAHO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In paragraph (2) of section 127B(a) of the Truth in Lending Act (as added by section 2(a) of the bill), strike “14th” and insert “7th”.

12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DAVID PRICE OF NORTH CAROLINA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

After section 8, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 9. ENHANCED MINIMUM PAYMENT DISCLOSURES.

Paragraph (11) of section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)(11)) is amended to read as follows:

“(11) MINIMUM PAYMENT DISCLOSURES.—

“(A) MINIMUM PAYMENT WARNING.—A written statement in the following form: ‘Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance.’.

“(B) INFORMATION ON OUTSTANDING BALANCE.—Not less than once per calendar quarter, such billing statement shall also include repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

“(i) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

“(ii) the total cost to the consumer, including interest payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made;

“(iii) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 12 months, 24 months, and 36 months, if no further advances are made, and the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays the balance over 12, 24, or 36 months, respectively; and

“(iv) a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services.

“(C) EXCEPTION TO REQUIREMENTS OF SUBSECTION (B).—The quarterly disclosure requirements in subsection (B) shall not apply with respect to—

“(i) a calendar quarter if, in the 2 consecutive billing cycles preceding the end of such quarter, a consumer has paid the entire balance of the bill in full;

“(ii) a calendar quarter if, at the end of the calendar quarter, a consumer has an outstanding credit balance of zero or has a positive credit; or

“(iii) any class of consumers for which the Board has determined will not benefit substantially from additional disclosures.

“(D) APPLICABLE RATES TO BE USED IN DISCLOSURES.—

“(i) IN GENERAL.—Subject to clause (ii), in making the disclosures under subparagraph (B), the creditor shall apply the interest rate or rates in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

“(ii) SPECIAL RULE IN CASE OF TEMPORARY RATE.—If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.

“(E) FORM AND PROMINENCE OF DISCLOSURE.—All of the information described in subparagraph (B) shall—

“(i) be disclosed in the form and manner which the Board shall prescribe, by regulation, and in a manner that avoids duplication; and

“(ii) be placed in a conspicuous and prominent location on the billing statement in conspicuous typeface.

“(F) TABULAR FORMAT.—In the regulations prescribed under subparagraph (D), the Board shall require that the disclosure of such information shall be in the form of a table that—

“(i) contains clear and concise headings for each item of such information; and

“(ii) provides a clear and concise form stating each item of information required to be disclosed under each such heading.

“(G) LOCATION AND ORDER OF TABLE.—In prescribing the form of the table under subparagraph (E), the Board shall require that—

“(i) all of the information in the table, and not just a reference to the table, be placed on the billing statement, as required by this paragraph; and

“(ii) the items required to be included in the table shall be listed in the order in which such items are described in subparagraph (B).

“(H) SUBSTITUTION OF TERMINOLOGY.—In prescribing the form of the table under subparagraph (D), the Board may employ terminology which is different than the terminology used in subparagraph (B), if such terminology is more easily understood and conveys substantially the same meaning.

“(I) ‘ROUNDING’ REGULATIONS.—For purposes of determining whether an error in the disclosures required by subparagraph (B) constitutes a legal cause of action against a creditor or any other party, the standard referred to under the heading ‘Rounding assumed payments, current balance and interest charges to the nearest cent’ in the publication by the Board in the Federal Register (74 F.R. 5385) on January 29, 2009, of the final regulation revising part 226 of title 12 of the Code of Federal Regulations (Regulation Z), or a standard that affords substantially similar protections as determined by the Board, shall apply for purposes of the determination with regard to such disclosures.”.

13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SUSAN DAVIS OF CALIFORNIA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Insert after section 127B(c) of the Truth in Lending Act (as added by section 2(c) of the bill) the following new subsection (and redesignate succeeding subsections accordingly):

“(d) ADVANCE NOTICE OF ACCOUNT CLOSURE.—

“(1) IN GENERAL.—In the case of any credit card account under an open end consumer credit plan, a creditor may not close such account unless the creditor provides a written notice to the consumer at least 30 days before the closure takes place, and which notifies the consumer—

“(A) of the reason the account is being closed;

“(B) of any recourse that the consumer may take to prevent the account from being closed;

“(C) of any program under which the consumer may repay the balance on the account over a period of time; and

“(D) that if the consumer’s account is closed, it may have an impact on the consumer’s credit score.

“(2) EXCEPTION.—The requirements of paragraph (1) shall not apply in the case of a consumer request that the creditor close such account.”.

14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PERRIELLO OF VIRGINIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In subsection (c) of section 127B of the Truth in Lending Act (as added by section 2(c) of the bill) insert after paragraph (2) the following new paragraph:

(3) MINIMUM TERM FOR PROMOTIONAL RATES.—In the case of a promotional rate, no written notice under paragraph (1) of an increase in any annual percentage rate of interest on any cred-

it card account under an open end consumer credit plan shall be effective before the end of a 6-month period beginning from the date the promotional rate takes effect.

15. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCHAUER OF MICHIGAN, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

After section 8, insert the following new section (and redesignate the subsequent sections accordingly):

SEC. 9. POSTING INFORMATION ON THE INTERNET.

Section 122 of the Truth in Lending Act (U.S.C. 1632) is amended by adding at the end the following new subsection:

“(d) INTERNET POSTING OF CREDIT CARD AGREEMENTS.—

“(1) POSTING AGREEMENTS.—A creditor shall establish and maintain an Internet site on which the creditor will post the written agreement between the creditor and the consumer for each open-end consumer credit plan not secured by a dwelling that has a credit card feature.

“(2) PROVIDING COPY OF CONTRACTS TO THE BOARD.—A creditor shall provide to the Board in electronic format, the consumer credit card agreements that the creditor publishes on the creditor’s Internet site.

“(3) RECORD REPOSITORY.—The Board shall establish and maintain on its publically available Internet site a central repository of the consumer credit card agreements received from the creditors pursuant to this subsection and such agreements shall be easily accessible and retrievable.

“(4) EXCEPTION.—Paragraphs (1) and (2) shall not apply to individually negotiated changes to contractual terms, such as individually-modified workouts or renegotiations of amounts owed by a consumer under an open end consumer credit plan.

“(5) REGULATIONS.—The Board, in consultation with the other agencies described in section 108 and the Federal Trade Commission, may prescribe regulations to implement this subsection, including—

“(A) specifying the format for posting the agreements on the creditor’s Internet site; and

“(B) establishing exceptions to paragraphs (1) and (2) in cases where the administrative burden outweighs the benefit of increased transparency, such as where a credit card plan has a de minimis number of consumer account holders”.

16. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TEAGUE OF NEW MEXICO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

After section 8, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 9. REGULATIONS RELATING TO ACTIVE DUTY MILITARY CONSUMERS AND RECENTLY DISABLED VETERANS.

Section 127B of the Truth in Lending Act is amended by inserting after subsection (p) (as added by section 6) the following new subsection:

“(q) REGULATIONS RELATING TO ACTIVE DUTY MILITARY CONSUMERS AND RECENTLY DISABLED VETERANS.—In the case of any credit card account, under an open end consumer credit plan, held by any veteran receiving compensation for a service-connected disability (as such terms are defined in section 101 of title 38, United States Code) that occurred less than 2 years before or any active duty military consumer (as defined in section 603(q)(2) of this Act), the Board shall prescribe regulations that prohibits the creditor with respect to such account from making adverse reports to any consumer reporting agency with respect while the consumer maintains status as such a veteran or as an active duty military consumer.”.

17. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCHOCK OF ILLINOIS, OR HIS DESGINEE, DEBATABLE FOR 10 MINUTES

In the subsection heading for section 3(d), strike “BEFORE” and insert “AFTER”.

In the subsection heading of subsection (h) of section 127B of the Truth in Lending Act (as added by section 3(d)), strike “BEFORE” and insert “AFTER”.

In paragraph (1) of section 127B(h) of the Truth in Lending Act (as added by section 3(d))—

(1) strike “may not furnish any information to” and insert “shall remove any information furnished to”; and

(2) strike “until the credit card has been used or activated by the consumer” and insert “if the consumer has not used or activated the account and the consumer contacts the creditor within 45 days of the establishment of the account to close the account”.