

***In the Senate of the United States,***

*May 19, 2009.*

*Resolved*, That the bill from the House of Representatives (H.R. 627) entitled “An Act 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.”, do pass with the following

**AMENDMENT:**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2       (a) *SHORT TITLE.*—*This Act may be cited as the*  
3 *“Credit Card Accountability Responsibility and Disclosure*  
4 *Act of 2009” or the “Credit CARD Act of 2009”.*

5       (b) *TABLE OF CONTENTS.*—

6               *The table of contents for this Act is as follows:*

*Sec. 1. Short title; table of contents.*

*Sec. 2. Regulatory authority.*

*Sec. 3. Effective date.*

## TITLE I—CONSUMER PROTECTION

- Sec. 101. Protection of credit cardholders.*
- Sec. 102. Limits on fees and interest charges.*
- Sec. 103. Use of terms clarified.*
- Sec. 104. Application of card payments.*
- Sec. 105. Standards applicable to initial issuance of subprime or “fee harvester” cards.*
- Sec. 106. Rules regarding periodic statements.*
- Sec. 107. Enhanced penalties.*
- Sec. 108. Clerical amendments.*
- Sec. 109. Consideration of Ability to repay.*

## TITLE II—ENHANCED CONSUMER DISCLOSURES

- Sec. 201. Payoff timing disclosures.*
- Sec. 202. Requirements relating to late payment deadlines and penalties.*
- Sec. 203. Renewal disclosures.*
- Sec. 204. Internet posting of credit card agreements.*
- Sec. 205. Prevention of deceptive marketing of credit reports.*

## TITLE III—PROTECTION OF YOUNG CONSUMERS

- Sec. 301. Extensions of credit to underage consumers.*
- Sec. 302. Protection of young consumers from prescreened credit offers.*
- Sec. 303. Issuance of credit cards to certain college students.*
- Sec. 304. Privacy Protections for college students.*
- Sec. 305. College Credit Card Agreements.*

## TITLE IV—GIFT CARDS

- Sec. 401. General-use prepaid cards, gift certificates, and store gift cards.*
- Sec. 402. Relation to State laws.*
- Sec. 403. Effective date.*

## TITLE V—MISCELLANEOUS PROVISIONS

- Sec. 501. Study and report on interchange fees.*
- Sec. 502. Board review of consumer credit plans and regulations.*
- Sec. 503. Stored value.*
- Sec. 504. Procedure for timely settlement of estates of decedent obligors.*
- Sec. 505. Report to Congress on reductions of consumer credit card limits based on certain information as to experience or transactions of the consumer.*
- Sec. 506. Board review of small business credit plans and recommendations.*
- Sec. 507. Small business information security task force.*
- Sec. 508. Study and report on emergency pin technology.*
- Sec. 509. Study and report on the marketing of products with credit offers.*
- Sec. 510. Financial and economic literacy.*
- Sec. 511. Federal trade commission rulemaking on mortgage lending.*
- Sec. 512. Protecting Americans from violent crime.*
- Sec. 513. GAO study and report on fluency in the English language and financial literacy.*

1 **SEC. 2. REGULATORY AUTHORITY.**

2 *The Board of Governors of the Federal Reserve System*  
3 *(in this Act referred to as the "Board") may issue such rules*  
4 *and publish such model forms as it considers necessary to*  
5 *carry out this Act and the amendments made by this Act.*

6 **SEC. 3. EFFECTIVE DATE.**

7 *This Act and the amendments made by this Act shall*  
8 *become effective 9 months after the date of enactment of this*  
9 *Act, except as otherwise specifically provided in this Act.*

10 **TITLE I—CONSUMER**  
11 **PROTECTION**

12 **SEC. 101. PROTECTION OF CREDIT CARDHOLDERS.**

13 *(a) ADVANCE NOTICE OF RATE INCREASE AND OTHER*  
14 *CHANGES REQUIRED.—*

15 *(1) AMENDMENT TO TILA.—Section 127 of the*  
16 *Truth in Lending Act (15 U.S.C. 1637) is amended*  
17 *by adding at the end the following:*

18 *“(i) ADVANCE NOTICE OF RATE INCREASE AND OTHER*  
19 *CHANGES REQUIRED.—*

20 *“(1) ADVANCE NOTICE OF INCREASE IN INTER-*  
21 *EST RATE REQUIRED.—In the case of any credit card*  
22 *account under an open end consumer credit plan, a*  
23 *creditor shall provide a written notice of an increase*  
24 *in an annual percentage rate (except in the case of*  
25 *an increase described in paragraph (1), (2), or (3) of*

1        *section 171(b)) not later than 45 days prior to the ef-*  
2        *fective date of the increase.*

3            *“(2) ADVANCE NOTICE OF OTHER SIGNIFICANT*  
4        *CHANGES REQUIRED.—In the case of any credit card*  
5        *account under an open end consumer credit plan, a*  
6        *creditor shall provide a written notice of any signifi-*  
7        *cant change, as determined by rule of the Board, in*  
8        *the terms (including an increase in any fee or finance*  
9        *charge, other than as provided in paragraph (1)) of*  
10       *the cardholder agreement between the creditor and the*  
11       *obligor, not later than 45 days prior to the effective*  
12       *date of the change.*

13           *“(3) NOTICE OF RIGHT TO CANCEL.—Each notice*  
14        *required by paragraph (1) or (2) shall be made in a*  
15        *clear and conspicuous manner, and shall contain a*  
16        *brief statement of the right of the obligor to cancel the*  
17        *account pursuant to rules established by the Board be-*  
18        *fore the effective date of the subject rate increase or*  
19        *other change.*

20           *“(4) RULE OF CONSTRUCTION.—Closure or can-*  
21        *cellation of an account by the obligor shall not con-*  
22        *stitute a default under an existing cardholder agree-*  
23        *ment, and shall not trigger an obligation to imme-*  
24        *diately repay the obligation in full or through a*  
25        *method that is less beneficial to the obligor than one*

1 of the methods described in section 171(c)(2), or the  
2 imposition of any other penalty or fee.”.

3 (2) *EFFECTIVE DATE.*—Notwithstanding section  
4 3, section 127(i) of the Truth in Lending Act, as  
5 added by this subsection, shall become effective 90  
6 days after the date of enactment of this Act.

7 (b) *RETROACTIVE INCREASE AND UNIVERSAL DE-*  
8 *FAULT PROHIBITED.*—Chapter 4 of the Truth in Lending  
9 Act (15 U.S.C. 1666 et seq.) is amended—

10 (1) by redesignating section 171 as section 173;

11 and

12 (2) by inserting after section 170 the following:

13 **“SEC. 171. LIMITS ON INTEREST RATE, FEE, AND FINANCE**  
14 **CHARGE INCREASES APPLICABLE TO OUT-**  
15 **STANDING BALANCES.**

16 **“(a) IN GENERAL.**—In the case of any credit card ac-  
17 count under an open end consumer credit plan, no creditor  
18 may increase any annual percentage rate, fee, or finance  
19 charge applicable to any outstanding balance, except as per-  
20 mitted under subsection (b).

21 **“(b) EXCEPTIONS.**—The prohibition under subsection  
22 (a) shall not apply to—

23 **“(1) an increase in an annual percentage rate**  
24 **upon the expiration of a specified period of time, pro-**  
25 **vided that—**

1           “(A) prior to commencement of that period,  
2           the creditor disclosed to the consumer, in a clear  
3           and conspicuous manner, the length of the period  
4           and the annual percentage rate that would apply  
5           after expiration of the period;

6           “(B) the increased annual percentage rate  
7           does not exceed the rate disclosed pursuant to  
8           subparagraph (A); and

9           “(C) the increased annual percentage rate is  
10          not applied to transactions that occurred prior  
11          to commencement of the period;

12          “(2) an increase in a variable annual percentage  
13          rate in accordance with a credit card agreement that  
14          provides for changes in the rate according to oper-  
15          ation of an index that is not under the control of the  
16          creditor and is available to the general public;

17          “(3) an increase due to the completion of a work-  
18          out or temporary hardship arrangement by the obli-  
19          gor or the failure of the obligor to comply with the  
20          terms of a workout or temporary hardship arrange-  
21          ment, provided that—

22                  “(A) the annual percentage rate, fee, or fi-  
23                  nance charge applicable to a category of trans-  
24                  actions following any such increase does not ex-  
25                  ceed the rate, fee, or finance charge that applied

1 to that category of transactions prior to com-  
2 mencement of the arrangement; and

3 “(B) the creditor has provided the obligor,  
4 prior to the commencement of such arrangement,  
5 with clear and conspicuous disclosure of the  
6 terms of the arrangement (including any in-  
7 creases due to such completion or failure); or

8 “(4) an increase due solely to the fact that a  
9 minimum payment by the obligor has not been re-  
10 ceived by the creditor within 60 days after the due  
11 date for such payment, provided that the creditor  
12 shall—

13 “(A) include, together with the notice of  
14 such increase required under section 127(i), a  
15 clear and conspicuous written statement of the  
16 reason for the increase and that the increase will  
17 terminate not later than 6 months after the date  
18 on which it is imposed, if the creditor receives  
19 the required minimum payments on time from  
20 the obligor during that period; and

21 “(B) terminate such increase not later than  
22 6 months after the date on which it is imposed,  
23 if the creditor receives the required minimum  
24 payments on time during that period.

25 “(c) REPAYMENT OF OUTSTANDING BALANCE.—

1           “(1) *IN GENERAL.*—*The creditor shall not change*  
2           *the terms governing the repayment of any out-*  
3           *standing balance, except that the creditor may pro-*  
4           *vide the obligor with one of the methods described in*  
5           *paragraph (2) of repaying any outstanding balance,*  
6           *or a method that is no less beneficial to the obligor*  
7           *than one of those methods.*

8           “(2) *METHODS.*—*The methods described in this*  
9           *paragraph are—*

10                   “(A) *an amortization period of not less*  
11                   *than 5 years, beginning on the effective date of*  
12                   *the increase set forth in the notice required under*  
13                   *section 127(i); or*

14                   “(B) *a required minimum periodic pay-*  
15                   *ment that includes a percentage of the out-*  
16                   *standing balance that is equal to not more than*  
17                   *twice the percentage required before the effective*  
18                   *date of the increase set forth in the notice re-*  
19                   *quired under section 127(i).*

20           “(d) *OUTSTANDING BALANCE DEFINED.*—*For pur-*  
21           *poses of this section, the term ‘outstanding balance’ means*  
22           *the amount owed on a credit card account under an open*  
23           *end consumer credit plan as of the end of the 14th day after*  
24           *the date on which the creditor provides notice of an increase*



1 *in the annual percentage rate, fee, or finance charge in ac-*  
2 *cordance with section 127(i).”.*

3       (c) *INTEREST RATE REDUCTION ON OPEN END CON-*  
4 *SUMER CREDIT PLANS.*—Chapter 3 of the Truth in Lending  
5 Act (15 U.S.C. 1661 et seq.) is amended by adding at the  
6 end the following:

7 **“SEC. 148. INTEREST RATE REDUCTION ON OPEN END CON-**  
8 **SUMER CREDIT PLANS.**

9       “(a) *IN GENERAL.*—If a creditor increases the annual  
10 percentage rate applicable to a credit card account under  
11 an open end consumer credit plan, based on factors includ-  
12 ing the credit risk of the obligor, market conditions, or other  
13 factors, the creditor shall consider changes in such factors  
14 in subsequently determining whether to reduce the annual  
15 percentage rate for such obligor.

16       “(b) *REQUIREMENTS.*—With respect to any credit card  
17 account under an open end consumer credit plan, the cred-  
18 itor shall—

19               “(1) maintain reasonable methodologies for as-  
20 ssuming the factors described in subsection (a);

21               “(2) not less frequently than once every 6  
22 months, review accounts as to which the annual per-  
23 centage rate has been increased since January 1,  
24 2009, to assess whether such factors have changed (in-  
25 cluding whether any risk has declined);



1 credit card account under an open end consumer credit  
 2 plan shall be effective before the end of the 1-year period  
 3 beginning on the date on which the account is opened.

4       “(b) *PROMOTIONAL RATE MINIMUM TERM.*—No in-  
 5 crease in any annual percentage rate applicable to a credit  
 6 card account under an open end consumer credit plan that  
 7 is a promotional rate (as that term is defined by the Board)  
 8 shall be effective before the end of the 6-month period begin-  
 9 ning on the date on which the promotional rate takes effect,  
 10 subject to such reasonable exceptions as the Board may es-  
 11 tablish, by rule.”.

12       “(e) *CLERICAL AMENDMENT.*—The table of sections for  
 13 chapter 4 of the Truth in Lending Act is amended by strik-  
 14 ing the item relating to section 171 and inserting the fol-  
 15 lowing:

“171. Limits on interest rate, fee, and finance charge increases applicable to out-  
 standing balances.

“172. Additional limits on interest rate increases.

“173. Applicability of State laws.”.

16 **SEC. 102. LIMITS ON FEES AND INTEREST CHARGES.**

17       “(a) *IN GENERAL.*—Section 127 of the Truth in Lend-  
 18 ing Act (15 U.S.C. 1637) is amended by adding at the end  
 19 the following:

20       “(j) *PROHIBITION ON PENALTIES FOR ON-TIME PAY-*  
 21 *MENTS.*—

22               “(1) *PROHIBITION ON DOUBLE-CYCLE BILLING*  
 23 *AND PENALTIES FOR ON-TIME PAYMENTS.*—Except as

1       *provided in paragraph (2), a creditor may not im-*  
2       *pose any finance charge on a credit card account*  
3       *under an open end consumer credit plan as a result*  
4       *of the loss of any time period provided by the creditor*  
5       *within which the obligor may repay any portion of*  
6       *the credit extended without incurring a finance*  
7       *charge, with respect to—*

8               *“(A) any balances for days in billing cycles*  
9               *that precede the most recent billing cycle; or*

10               *“(B) any balances or portions thereof in the*  
11               *current billing cycle that were repaid within*  
12               *such time period.*

13               *“(2) EXCEPTIONS.—Paragraph (1) does not*  
14               *apply to—*

15               *“(A) any adjustment to a finance charge as*  
16               *a result of the resolution of a dispute; or*

17               *“(B) any adjustment to a finance charge as*  
18               *a result of the return of a payment for insuffi-*  
19               *cient funds.*

20               *“(k) OPT-IN REQUIRED FOR OVER-THE-LIMIT TRANS-*  
21               *ACTIONS IF FEES ARE IMPOSED.—*

22               *“(1) IN GENERAL.—In the case of any credit*  
23               *card account under an open end consumer credit plan*  
24               *under which an over-the-limit fee may be imposed by*  
25               *the creditor for any extension of credit in excess of the*

1        *amount of credit authorized to be extended under such*  
2        *account, no such fee shall be charged, unless the con-*  
3        *sumer has expressly elected to permit the creditor,*  
4        *with respect to such account, to complete transactions*  
5        *involving the extension of credit under such account*  
6        *in excess of the amount of credit authorized.*

7                *“(2) DISCLOSURE BY CREDITOR.—No election by*  
8        *a consumer under paragraph (1) shall take effect un-*  
9        *less the consumer, before making such election, re-*  
10        *ceived a notice from the creditor of any over-the-limit*  
11        *fee in the form and manner, and at the time, deter-*  
12        *mined by the Board. If the consumer makes the elec-*  
13        *tion referred to in paragraph (1), the creditor shall*  
14        *provide notice to the consumer of the right to revoke*  
15        *the election, in the form prescribed by the Board, in*  
16        *any periodic statement that includes notice of the im-*  
17        *position of an over-the-limit fee during the period*  
18        *covered by the statement.*

19                *“(3) FORM OF ELECTION.—A consumer may*  
20        *make or revoke the election referred to in paragraph*  
21        *(1) orally, electronically, or in writing, pursuant to*  
22        *regulations prescribed by the Board. The Board shall*  
23        *prescribe regulations to ensure that the same options*  
24        *are available for both making and revoking such elec-*  
25        *tion.*

1           “(4) *TIME OF ELECTION.*—A consumer may  
2           make the election referred to in paragraph (1) at any  
3           time, and such election shall be effective until the elec-  
4           tion is revoked in the manner prescribed under para-  
5           graph (3).

6           “(5) *REGULATIONS.*—The Board shall prescribe  
7           regulations—

8                   “(A) governing disclosures under this sub-  
9                   section; and

10                   “(B) that prevent unfair or deceptive acts  
11                   or practices in connection with the manipulation  
12                   of credit limits designed to increase over-the-  
13                   limit fees or other penalty fees.

14           “(6) *RULE OF CONSTRUCTION.*—Nothing in this  
15           subsection shall be construed to prohibit a creditor  
16           from completing an over-the-limit transaction, pro-  
17           vided that a consumer who has not made a valid elec-  
18           tion under paragraph (1) is not charged an over-the-  
19           limit fee for such transaction.

20           “(7) *RESTRICTION ON FEES CHARGED FOR AN*  
21           *OVER-THE-LIMIT TRANSACTION.*—With respect to a  
22           credit card account under an open end consumer  
23           credit plan, an over-the-limit fee may be imposed  
24           only once during a billing cycle if the credit limit on  
25           the account is exceeded, and an over-the-limit fee,

1     *with respect to such excess credit, may be imposed*  
2     *only once in each of the 2 subsequent billing cycles,*  
3     *unless the consumer has obtained an additional exten-*  
4     *sion of credit in excess of such credit limit during*  
5     *any such subsequent cycle or the consumer reduces the*  
6     *outstanding balance below the credit limit as of the*  
7     *end of such billing cycle.*

8     “(l) *LIMIT ON FEES RELATED TO METHOD OF PAY-*  
9     *MENT.—With respect to a credit card account under an*  
10    *open end consumer credit plan, the creditor may not impose*  
11    *a separate fee to allow the obligor to repay an extension*  
12    *of credit or finance charge, whether such repayment is made*  
13    *by mail, electronic transfer, telephone authorization, or*  
14    *other means, unless such payment involves an expedited*  
15    *service by a service representative of the creditor.”.*

16     (b) *REASONABLE PENALTY FEES.—*

17           (1) *IN GENERAL.—Chapter 3 of the Truth in*  
18    *Lending Act (15 U.S.C. 1661 et seq.), as amended by*  
19    *this Act, is amended by adding at the end the fol-*  
20    *lowing:*

21    “**SEC. 149. REASONABLE PENALTY FEES ON OPEN END CON-**  
22                           **SUMER CREDIT PLANS.**”

23           “(a) *IN GENERAL.—The amount of any penalty fee or*  
24    *charge that a card issuer may impose with respect to a cred-*  
25    *it card account under an open end consumer credit plan*

1 *in connection with any omission with respect to, or viola-*  
2 *tion of, the cardholder agreement, including any late pay-*  
3 *ment fee, over-the-limit fee, or any other penalty fee or*  
4 *charge, shall be reasonable and proportional to such omis-*  
5 *sion or violation.*

6       “(b) *RULEMAKING REQUIRED.*—*The Board, in con-*  
7 *sultation with the Comptroller of the Currency, the Board*  
8 *of Directors of the Federal Deposit Insurance Corporation,*  
9 *the Director of the Office of Thrift Supervision, and the Na-*  
10 *tional Credit Union Administration Board, shall issue final*  
11 *rules not later than 9 months after the date of enactment*  
12 *of this section, to establish standards for assessing whether*  
13 *the amount of any penalty fee or charge described under*  
14 *subsection (a) is reasonable and proportional to the omis-*  
15 *sion or violation to which the fee or charge relates. Sub-*  
16 *section (a) shall become effective 15 months after the date*  
17 *of enactment of this section.*

18       “(c) *CONSIDERATIONS.*—*In issuing rules required by*  
19 *this section, the Board shall consider—*

20               “(1) *the cost incurred by the creditor from such*  
21 *omission or violation;*

22               “(2) *the deterrence of such omission or violation*  
23 *by the cardholder;*

24               “(3) *the conduct of the cardholder; and*



1           “(4) such other factors as the Board may deem  
2           necessary or appropriate.

3           “(d) *DIFFERENTIATION PERMITTED.*—In issuing rules  
4           required by this subsection, the Board may establish dif-  
5           ferent standards for different types of fees and charges, as  
6           appropriate.

7           “(e) *SAFE HARBOR RULE AUTHORIZED.*—The Board,  
8           in consultation with the Comptroller of the Currency, the  
9           Board of Directors of the Federal Deposit Insurance Cor-  
10          poration, the Director of the Office of Thrift Supervision,  
11          and the National Credit Union Administration Board, may  
12          issue rules to provide an amount for any penalty fee or  
13          charge described under subsection (a) that is presumed to  
14          be reasonable and proportional to the omission or violation  
15          to which the fee or charge relates.”.

16          (2) *CLERICAL AMENDMENTS.*—Chapter 3 of the  
17          Truth in Lending Act (15 U.S.C. 1661 et seq.) is  
18          amended—

19                 (A) in the chapter heading, by inserting  
20                 “**AND LIMITS ON CREDIT CARD**  
21                 **FEES**” after “**ADVERTISING**”; and

22                 (B) in the table of sections for the chapter,  
23                 by adding at the end the following:

“148. Interest rate reduction on open end consumer credit plans.

“149. Reasonable penalty fees on open end consumer credit plans.”.

1 **SEC. 103. USE OF TERMS CLARIFIED.**

2 Section 127 of the Truth in Lending Act (15 U.S.C.  
3 1637) is amended by adding at the end the following:

4 “(m) *USE OF TERM ‘FIXED RATE’*.—With respect to  
5 the terms of any credit card account under an open end  
6 consumer credit plan, the term ‘fixed’, when appearing in  
7 conjunction with a reference to the annual percentage rate  
8 or interest rate applicable with respect to such account, may  
9 only be used to refer to an annual percentage rate or inter-  
10 est rate that will not change or vary for any reason over  
11 the period specified clearly and conspicuously in the terms  
12 of the account.”.

13 **SEC. 104. APPLICATION OF CARD PAYMENTS.**

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

16 (1) by striking the section heading and all that  
17 follows through “Payments” and inserting the fol-  
18 lowing:

19 **“§ 164. Prompt and fair crediting of payments**

20 “(a) *IN GENERAL*.—Payments”;

21 (2) by inserting “, by 5:00 p.m. on the date on  
22 which such payment is due,” after “in readily identi-  
23 fiable form”;

24 (3) by striking “manner, location, and time”  
25 and inserting “manner, and location”; and

26 (4) by adding at the end the following:

1       “(b) *APPLICATION OF PAYMENTS.*—

2               “(1) *IN GENERAL.*—Upon receipt of a payment  
3       *from a cardholder, the card issuer shall apply*  
4       *amounts in excess of the minimum payment amount*  
5       *first to the card balance bearing the highest rate of*  
6       *interest, and then to each successive balance bearing*  
7       *the next highest rate of interest, until the payment is*  
8       *exhausted.*

9               “(2) *CLARIFICATION RELATING TO CERTAIN DE-*  
10       *FERRED INTEREST ARRANGEMENTS.*—A creditor shall  
11       *allocate the entire amount paid by the consumer in*  
12       *excess of the minimum payment amount to a balance*  
13       *on which interest is deferred during the last 2 billing*  
14       *cycles immediately preceding the expiration of the pe-*  
15       *riod during which interest is deferred.*

16              “(c) *CHANGES BY CARD ISSUER.*—If a card issuer  
17       *makes a material change in the mailing address, office, or*  
18       *procedures for handling cardholder payments, and such*  
19       *change causes a material delay in the crediting of a card-*  
20       *holder payment made during the 60-day period following*  
21       *the date on which such change took effect, the card issuer*  
22       *may not impose any late fee or finance charge for a late*  
23       *payment on the credit card account to which such payment*  
24       *was credited.”.*

1 **SEC. 105. STANDARDS APPLICABLE TO INITIAL ISSUANCE**  
2 **OF SUBPRIME OR "FEE HARVESTER" CARDS.**

3 *Section 127 of the Truth in Lending Act (15 U.S.C.*  
4 *1637), as amended by this Act, is amended by adding at*  
5 *the end the following new subsection:*

6 *"(n) STANDARDS APPLICABLE TO INITIAL ISSUANCE*  
7 *OF SUBPRIME OR 'FEE HARVESTER' CARDS.—*

8 *"(1) IN GENERAL.—If the terms of a credit card*  
9 *account under an open end consumer credit plan re-*  
10 *quire the payment of any fees (other than any late*  
11 *fee, over-the-limit fee, or fee for a payment returned*  
12 *for insufficient funds) by the consumer in the first*  
13 *year during which the account is opened in an aggre-*  
14 *gate amount in excess of 25 percent of the total*  
15 *amount of credit authorized under the account when*  
16 *the account is opened, no payment of any fees (other*  
17 *than any late fee, over-the-limit fee, or fee for a pay-*  
18 *ment returned for insufficient funds) may be made*  
19 *from the credit made available under the terms of the*  
20 *account.*

21 *"(2) RULE OF CONSTRUCTION.—No provision of*  
22 *this subsection may be construed as authorizing any*  
23 *imposition or payment of advance fees otherwise pro-*  
24 *hibited by any provision of law."*

1 **SEC. 106. RULES REGARDING PERIODIC STATEMENTS.**

2 (a) *IN GENERAL.*—Section 127 of the Truth in Lend-  
3 *ing Act (15 U.S.C. 1637) is amended by adding at the end*  
4 *the following:*

5 “(o) *DUE DATES FOR CREDIT CARD ACCOUNTS.*—

6 “(1) *IN GENERAL.*—The payment due date for a  
7 *credit card account under an open end consumer*  
8 *credit plan shall be the same day each month.*

9 “(2) *WEEKEND OR HOLIDAY DUE DATES.*—If the  
10 *payment due date for a credit card account under an*  
11 *open end consumer credit plan is a day on which the*  
12 *creditor does not receive or accept payments by mail*  
13 *(including weekends and holidays), the creditor may*  
14 *not treat a payment received on the next business day*  
15 *as late for any purpose.”.*

16 (b) *LENGTH OF BILLING PERIOD.*—

17 (1) *IN GENERAL.*—Section 163 of the Truth in  
18 *Lending Act (15 U.S.C. 1666b) is amended to read as*  
19 *follows:*

20 **“SEC. 163. TIMING OF PAYMENTS.**

21 “(a) *TIME TO MAKE PAYMENTS.*—A creditor may not  
22 *treat a payment on an open end consumer credit plan as*  
23 *late for any purpose, unless the creditor has adopted reason-*  
24 *able procedures designed to ensure that each periodic state-*  
25 *ment including the information required by section 127(b)*

1 *is mailed or delivered to the consumer not later than 21*  
2 *days before the payment due date.*

3     “(b) *GRACE PERIOD.*—*If an open end consumer credit*  
4 *plan provides a time period within which an obligor may*  
5 *repay any portion of the credit extended without incurring*  
6 *an additional finance charge, such additional finance*  
7 *charge may not be imposed with respect to such portion*  
8 *of the credit extended for the billing cycle of which such*  
9 *period is a part, unless a statement which includes the*  
10 *amount upon which the finance charge for the period is*  
11 *based was mailed or delivered to the consumer not later*  
12 *than 21 days before the date specified in the statement by*  
13 *which payment must be made in order to avoid imposition*  
14 *of that finance charge.”.*

15             (2) *EFFECTIVE DATE.*—*Notwithstanding section*  
16 *3, section 163 of the Truth in Lending Act, as amend-*  
17 *ed by this subsection, shall become effective 90 days*  
18 *after the date of enactment of this Act.*

19             (c) *CLERICAL AMENDMENTS.*—*The table of sections for*  
20 *chapter 4 of the Truth in Lending Act is amended—*

21                     (1) *by striking the item relating to section 163*  
22 *and inserting the following:*

*“163. Timing of payments.”; and*

23                     (2) *by striking the item relating to section 171*  
24 *and inserting the following:*

*“171. Universal defaults prohibited.*

*“172. Unilateral changes in credit card agreement prohibited.*

*“173. Applicability of State laws.”.*

**1 SEC. 107. ENHANCED PENALTIES.**

2        *Section 130(a)(2)(A) of the Truth in Lending Act (15*  
3 *U.S.C. 1640(a)(2)(A)) is amended by striking “or (iii) in*  
4 *the” and inserting the following: “(iii) in the case of an*  
5 *individual action relating to an open end consumer credit*  
6 *plan that is not secured by real property or a dwelling,*  
7 *twice the amount of any finance charge in connection with*  
8 *the transaction, with a minimum of \$500 and a maximum*  
9 *of \$5,000, or such higher amount as may be appropriate*  
10 *in the case of an established pattern or practice of such fail-*  
11 *ures; or (iv) in the”.*

**12 SEC. 108. CLERICAL AMENDMENTS.**

13        *Section 103(i) of the Truth in Lending Act (15 U.S.C.*  
14 *1602(i)) is amended—*

15            (1) *by striking “term” and all that follows*  
16 *through “means” and inserting the following: “terms*  
17 *‘open end credit plan’ and ‘open end consumer credit*  
18 *plan’ mean”;* and

19            (2) *in the second sentence, by inserting “or open*  
20 *end consumer credit plan” after “credit plan” each*  
21 *place that term appears.*

1 **SEC. 109. CONSIDERATION OF ABILITY TO REPAY.**

2 (a) *IN GENERAL.*—Chapter 3 of the Truth in Lending  
3 Act (15 U.S.C. 1666 *et seq.*), as amended by this title, is  
4 amended by adding at the end the following:

5 **“SEC. 150. CONSIDERATION OF ABILITY TO REPAY.**

6 “A card issuer may not open any credit card account  
7 for any consumer under an open end consumer credit plan,  
8 or increase any credit limit applicable to such account, un-  
9 less the card issuer considers the ability of the consumer  
10 to make the required payments under the terms of such ac-  
11 count.”.

12 (b) *CLERICAL AMENDMENT.*—Chapter 3 of the Truth  
13 in Lending Act (15 U.S.C. 1661 *et seq.*) is amended in the  
14 table of sections for the chapter, by adding at the end the  
15 following:

“150. Consideration of ability to repay.”.

16 **TITLE II—ENHANCED**  
17 **CONSUMER DISCLOSURES**

18 **SEC. 201. PAYOFF TIMING DISCLOSURES.**

19 (a) *IN GENERAL.*—Section 127(b)(11) of the Truth in  
20 Lending Act (15 U.S.C. 1637(b)(11)) is amended to read  
21 as follows:

22 “(11)(A) A written statement in the following  
23 form: ‘Minimum Payment Warning: Making only the  
24 minimum payment will increase the amount of inter-  
25 est you pay and the time it takes to repay your bal-



1        *ance.*, or such similar statement as is established by  
2        *the Board pursuant to consumer testing.*

3            *“(B) Repayment information that would apply*  
4        *to the outstanding balance of the consumer under the*  
5        *credit plan, including—*

6            *“(i) the number of months (rounded to the*  
7        *nearest month) that it would take to pay the en-*  
8        *tire amount of that balance, if the consumer*  
9        *pays only the required minimum monthly pay-*  
10       *ments and if no further advances are made;*

11           *“(ii) the total cost to the consumer, includ-*  
12       *ing interest and principal payments, of paying*  
13       *that balance in full, if the consumer pays only*  
14       *the required minimum monthly payments and if*  
15       *no further advances are made;*

16           *“(iii) the monthly payment amount that*  
17       *would be required for the consumer to eliminate*  
18       *the outstanding balance in 36 months, if no fur-*  
19       *ther advances are made, and the total cost to the*  
20       *consumer, including interest and principal pay-*  
21       *ments, of paying that balance in full if the con-*  
22       *sumer pays the balance over 36 months; and*

23           *“(iv) a toll-free telephone number at which*  
24       *the consumer may receive information about ac-*

1           *cessing credit counseling and debt management*  
2           *services.*

3           “(C)(i) *Subject to clause (ii), in making the dis-*  
4           *losures under subparagraph (B), the creditor shall*  
5           *apply the interest rate or rates in effect on the date*  
6           *on which the disclosure is made until the date on*  
7           *which the balance would be paid in full.*

8           “(i) *If the interest rate in effect on the date on*  
9           *which the disclosure is made is a temporary rate that*  
10           *will change under a contractual provision applying*  
11           *an index or formula for subsequent interest rate ad-*  
12           *justment, the creditor shall apply the interest rate in*  
13           *effect on the date on which the disclosure is made for*  
14           *as long as that interest rate will apply under that*  
15           *contractual provision, and then apply an interest rate*  
16           *based on the index or formula in effect on the appli-*  
17           *cable billing date.*

18           “(D) *All of the information described in sub-*  
19           *paragraph (B) shall—*

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

23           “(ii) *be placed in a conspicuous and promi-*  
24           *nent location on the billing statement.*

1           “(E) In the regulations prescribed under sub-  
2           paragraph (D), the Board shall require that the dis-  
3           closure of such information shall be in the form of a  
4           table that—

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

7                     “(ii) provides a clear and concise form stat-  
8                     ing each item of information required to be dis-  
9                     closed under each such heading.

10           “(F) In prescribing the form of the table under  
11           subparagraph (E), the Board shall require that—

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

16                     “(ii) the items required to be included in  
17                     the table shall be listed in the order in which  
18                     such items are set forth in subparagraph (B).

19           “(G) In prescribing the form of the table under  
20           subparagraph (D), the Board shall employ termi-  
21           nology which is different than the terminology which  
22           is employed in subparagraph (B), if such terminology  
23           is more easily understood and conveys substantially  
24           the same meaning.”.

1           (b) *CIVIL LIABILITY.*—Section 130(a) of the Truth in  
2 Lending Act (15 U.S.C. 1640(a)) is amended, in the undes-  
3 igned paragraph following paragraph (4), by striking the  
4 second sentence and inserting the following: “In connection  
5 with the disclosures referred to in subsections (a) and (b)  
6 of section 127, a creditor shall have a liability determined  
7 under paragraph (2) only for failing to comply with the  
8 requirements of section 125, 127(a), or any of paragraphs  
9 (4) through (13) of section 127(b), or for failing to comply  
10 with disclosure requirements under State law for any term  
11 or item that the Board has determined to be substantially  
12 the same in meaning under section 111(a)(2) as any of the  
13 terms or items referred to in section 127(a), or any of para-  
14 graphs (4) through (13) of section 127(b).”.

15           (c) *GUIDELINES REQUIRED.*—

16           (1) *IN GENERAL.*—Not later than 6 months after  
17 the date of enactment of this Act, the Board shall  
18 issue guidelines, by rule, in consultation with the Sec-  
19 retary of the Treasury, for the establishment and  
20 maintenance by creditors of a toll-free telephone num-  
21 ber for purposes of providing information about ac-  
22 cessing credit counseling and debt management serv-  
23 ices, as required under section 127(b)(11)(B)(iv) of  
24 the Truth in Lending Act, as added by this section.

1           (2) *APPROVED AGENCIES.*—*Guidelines issued*  
2 *under this subsection shall ensure that referrals pro-*  
3 *vided by the toll-free number referred to in paragraph*  
4 *(1) include only those nonprofit budget and credit*  
5 *counseling agencies approved by a United States*  
6 *bankruptcy trustee pursuant to section 111(a) of title*  
7 *11, United States Code.*

8 **SEC. 202. REQUIREMENTS RELATING TO LATE PAYMENT**  
9 **DEADLINES AND PENALTIES.**

10           *Section 127(b)(12) of the Truth in Lending Act (15*  
11 *U.S.C. 1637(b)(12)) is amended to read as follows:*

12           “(12) *REQUIREMENTS RELATING TO LATE PAY-*  
13 *MENT DEADLINES AND PENALTIES.*—

14           “(A) *LATE PAYMENT DEADLINE REQUIRED*  
15 *TO BE DISCLOSED.*—*In the case of a credit card*  
16 *account under an open end consumer credit plan*  
17 *under which a late fee or charge may be imposed*  
18 *due to the failure of the obligor to make payment*  
19 *on or before the due date for such payment, the*  
20 *periodic statement required under subsection (b)*  
21 *with respect to the account shall include, in a*  
22 *conspicuous location on the billing statement, the*  
23 *date on which the payment is due or, if different,*  
24 *the date on which a late payment fee will be*  
25 *charged, together with the amount of the fee or*

1 charge to be imposed if payment is made after  
2 that date.

3 “(B) DISCLOSURE OF INCREASE IN INTER-  
4 EST RATES FOR LATE PAYMENTS.—If 1 or more  
5 late payments under an open end consumer cred-  
6 it plan may result in an increase in the annual  
7 percentage rate applicable to the account, the  
8 statement required under subsection (b) with re-  
9 spect to the account shall include conspicuous  
10 notice of such fact, together with the applicable  
11 penalty annual percentage rate, in close prox-  
12 imity to the disclosure required under subpara-  
13 graph (A) of the date on which payment is due  
14 under the terms of the account.

15 “(C) PAYMENTS AT LOCAL BRANCHES.—If  
16 the creditor, in the case of a credit card account  
17 referred to in subparagraph (A), is a financial  
18 institution which maintains branches or offices  
19 at which payments on any such account are ac-  
20 cepted from the obligor in person, the date on  
21 which the obligor makes a payment on the ac-  
22 count at such branch or office shall be considered  
23 to be the date on which the payment is made for  
24 purposes of determining whether a late fee or  
25 charge may be imposed due to the failure of the

1           *obligor to make payment on or before the due*  
2           *date for such payment.”.*

3 **SEC. 203. RENEWAL DISCLOSURES.**

4           *Section 127(d) of the Truth in Lending Act (15 U.S.C.*  
5 *1637(d)) is amended—*

6           (1) *by striking paragraph (2);*

7           (2) *by redesignating paragraph (3) as para-*  
8 *graph (2); and*

9           (3) *in paragraph (1), by striking “Except as*  
10 *provided in paragraph (2), a card issuer” and insert-*  
11 *ing the following: “A card issuer that has changed or*  
12 *amended any term of the account since the last re-*  
13 *newal that has not been previously disclosed or”.*

14 **SEC. 204. INTERNET POSTING OF CREDIT CARD AGREE-**  
15 **MENTS.**

16           (a) *IN GENERAL.—Section 122 of the Truth and Lend-*  
17 *ing Act (15 U.S.C. 1632) is amended by adding at the end*  
18 *the following new subsection:*

19           “(d) **ADDITIONAL ELECTRONIC DISCLOSURES.—**

20           “(1) **POSTING AGREEMENTS.—***Each creditor*  
21 *shall establish and maintain an Internet site on*  
22 *which the creditor shall post the written agreement*  
23 *between the creditor and the consumer for each credit*  
24 *card account under an open-end consumer credit*  
25 *plan.*

1           “(2) *CREDITOR TO PROVIDE CONTRACTS TO THE*  
2           *BOARD.—Each creditor shall provide to the Board, in*  
3           *electronic format, the consumer credit card agree-*  
4           *ments that it publishes on its Internet site.*

5           “(3) *RECORD REPOSITORY.—The Board shall es-*  
6           *tablish and maintain on its publicly available Inter-*  
7           *net site a central repository of the consumer credit*  
8           *card agreements received from creditors pursuant to*  
9           *this subsection, and such agreements shall be easily*  
10          *accessible and retrievable by the public.*

11          “(4) *EXCEPTION.—This subsection shall not*  
12          *apply to individually negotiated changes to contrac-*  
13          *tual terms, such as individually modified workouts or*  
14          *renegotiations of amounts owed by a consumer under*  
15          *an open end consumer credit plan.*

16          “(5) *REGULATIONS.—The Board, in consultation*  
17          *with the other Federal banking agencies (as that term*  
18          *is defined in section 603) and the Federal Trade*  
19          *Commission, may promulgate regulations to imple-*  
20          *ment this subsection, including specifying the format*  
21          *for posting the agreements on the Internet sites of*  
22          *creditors and establishing exceptions to paragraphs*  
23          *(1) and (2), in any case in which the administrative*  
24          *burden outweighs the benefit of increased trans-*



1        *parency, such as where a credit card plan has a de*  
2        *minimis number of consumer account holders.”.*

3        **SEC. 205. PREVENTION OF DECEPTIVE MARKETING OF**  
4        **CREDIT REPORTS.**

5        *(a) PREVENTING DECEPTIVE MARKETING.—Section*  
6        *612 of the Fair Credit Reporting Act (15 U.S.C. 1681j) is*  
7        *amended by adding at the end the following:*

8        *“(g) PREVENTION OF DECEPTIVE MARKETING OF*  
9        *CREDIT REPORTS.—*

10        *“(1) IN GENERAL.—Subject to rulemaking pur-*  
11        *suant to section 205(b) of the Credit CARD Act of*  
12        *2009, any advertisement for a free credit report in*  
13        *any medium shall prominently disclose in such adver-*  
14        *tisement that free credit reports are available under*  
15        *Federal law at: ‘AnnualCreditReport.com’ (or such*  
16        *other source as may be authorized under Federal*  
17        *law).*

18        *“(2) TELEVISION AND RADIO ADVERTISEMENT.—*  
19        *In the case of an advertisement broadcast by tele-*  
20        *vision, the disclosures required under paragraph (1)*  
21        *shall be included in the audio and visual part of such*  
22        *advertisement. In the case of an advertisement broad-*  
23        *cast by television or radio, the disclosure required*  
24        *under paragraph (1) shall consist only of the fol-*

1        *lowing: ‘This is not the free credit report provided for*  
2        *by Federal law’.*”.

3        (b) *RULEMAKING.*—

4            (1) *IN GENERAL.*—*Not later than 9 months after*  
5        *the date of enactment of this Act, the Federal Trade*  
6        *Commission shall issue a final rule to carry out this*  
7        *section.*

8            (2) *CONTENT.*—*The rule required by this sub-*  
9        *section—*

10            (A) *shall include specific wording to be used*  
11        *in advertisements in accordance with this sec-*  
12        *tion; and*

13            (B) *for advertisements on the Internet, shall*  
14        *include whether the disclosure required under*  
15        *section 612(g)(1) of the Fair Credit Reporting*  
16        *Act (as added by this section) shall appear on*  
17        *the advertisement or the website on which the*  
18        *free credit report is made available.*

19            (3) *INTERIM DISCLOSURES.*—*If an advertisement*  
20        *subject to section 612(g) of the Fair Credit Reporting*  
21        *Act, as added by this section, is made public after the*  
22        *9-month deadline specified in paragraph (1), but be-*  
23        *fore the rule required by paragraph (1) is finalized,*  
24        *such advertisement shall include the disclosure: “Free*

1       *credit reports are available under Federal law at:*  
2       *'AnnualCreditReport.com'.*

3       **TITLE III—PROTECTION OF**  
4       **YOUNG CONSUMERS**

5       **SEC. 301. EXTENSIONS OF CREDIT TO UNDERAGE CON-**  
6       **SUMERS.**

7       *Section 127(c) of the Truth in Lending Act (15 U.S.C.*  
8       *1637(c)) is amended by adding at the end the following:*

9               “(8) *APPLICATIONS FROM UNDERAGE CON-*  
10       *SUMERS.—*

11               “(A) *PROHIBITION ON ISSUANCE.—No cred-*  
12       *it card may be issued to, or open end consumer*  
13       *credit plan established by or on behalf of, a con-*  
14       *sumer who has not attained the age of 21, unless*  
15       *the consumer has submitted a written applica-*  
16       *tion to the card issuer that meets the require-*  
17       *ments of subparagraph (B).*

18               “(B) *APPLICATION REQUIREMENTS.—An*  
19       *application to open a credit card account by a*  
20       *consumer who has not attained the age of 21 as*  
21       *of the date of submission of the application shall*  
22       *require—*

23               “(i) *the signature of a cosigner, includ-*  
24       *ing the parent, legal guardian, spouse, or*  
25       *any other individual who has attained the*

1           *age of 21 having a means to repay debts in-*  
2           *curring by the consumer in connection with*  
3           *the account, indicating joint liability for*  
4           *debts incurred by the consumer in connec-*  
5           *tion with the account before the consumer*  
6           *has attained the age of 21; or*

7           “(ii) submission by the consumer of fi-  
8           nancial information, including through an  
9           application, indicating an independent  
10          means of repaying any obligation arising  
11          from the proposed extension of credit in  
12          connection with the account.

13          “(C) *SAFE HARBOR.*—*The Board shall pro-*  
14          mulgate regulations providing standards that, if  
15          met, would satisfy the requirements of subpara-  
16          graph (B)(ii).”.

17 **SEC. 302. PROTECTION OF YOUNG CONSUMERS FROM**  
18 **PRESCREENED CREDIT OFFERS.**

19          *Section 604(c)(1)(B) of the Fair Credit Reporting Act*  
20 *(15 U.S.C. 1681b(c)(1)(B)) is amended—*

21           (1) *in clause (ii), by striking “and” at the end;*

22          *and*

23           (2) *in clause (iii), by striking the period at the*  
24          *end and inserting the following: “; and*

1           “(iv) the consumer report does not contain  
2           a date of birth that shows that the consumer has  
3           not attained the age of 21, or, if the date of birth  
4           on the consumer report shows that the consumer  
5           has not attained the age of 21, such consumer  
6           consents to the consumer reporting agency to  
7           such furnishing.”.

8   **SEC. 303. ISSUANCE OF CREDIT CARDS TO CERTAIN COL-**  
9                           **LEGE STUDENTS.**

10          Section 127 of the Truth in Lending Act (15 U.S.C.  
11 1637) is amended by adding at the end the following new  
12 subsection:

13          “(p) **PARENTAL APPROVAL REQUIRED TO INCREASE**  
14 **CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS**  
15 **JOINTLY LIABLE.**—No increase may be made in the amount  
16 of credit authorized to be extended under a credit card ac-  
17 count for which a parent, legal guardian, or spouse of the  
18 consumer, or any other individual has assumed joint liabil-  
19 ity for debts incurred by the consumer in connection with  
20 the account before the consumer attains the age of 21, unless  
21 that parent, guardian, or spouse approves in writing, and  
22 assumes joint liability for, such increase.”.

23   **SEC. 304. PRIVACY PROTECTIONS FOR COLLEGE STUDENTS.**

24          Section 140 of the Truth in Lending Act (15 U.S.C.  
25 1650) is amended by adding at the end the following:

1       “(f) *CREDIT CARD PROTECTIONS FOR COLLEGE STU-*  
2 *DENTS.—*

3               “(1) *DISCLOSURE REQUIRED.—An institution of*  
4 *higher education shall publicly disclose any contract*  
5 *or other agreement made with a card issuer or cred-*  
6 *itor for the purpose of marketing a credit card.*

7               “(2) *INDUCEMENTS PROHIBITED.—No card*  
8 *issuer or creditor may offer to a student at an insti-*  
9 *tution of higher education any tangible item to in-*  
10 *duce such student to apply for or participate in an*  
11 *open end consumer credit plan offered by such card*  
12 *issuer or creditor, if such offer is made—*

13                       “(A) *on the campus of an institution of*  
14 *higher education;*

15                       “(B) *near the campus of an institution of*  
16 *higher education, as determined by rule of the*  
17 *Board; or*

18                       “(C) *at an event sponsored by or related to*  
19 *an institution of higher education.*

20               “(3) *SENSE OF THE CONGRESS.—It is the sense*  
21 *of the Congress that each institution of higher edu-*  
22 *cation should consider adopting the following policies*  
23 *relating to credit cards:*

24                       “(A) *That any card issuer that markets a*  
25 *credit card on the campus of such institution no-*

1           *tify the institution of the location at which such*  
 2           *marketing will take place.*

3           “(B) *That the number of locations on the*  
 4           *campus of such institution at which the mar-*  
 5           *keting of credit cards takes place be limited.*”

6           “(C) *That credit card and debt education*  
 7           *and counseling sessions be offered as a regular*  
 8           *part of any orientation program for new stu-*  
 9           *dents of such institution.*”

10 **SEC. 305. COLLEGE CREDIT CARD AGREEMENTS.**

11           *(a) IN GENERAL.—Section 127 of the Truth in Lend-*  
 12           *ing Act (15 U.S.C. 1637), as otherwise amended by this*  
 13           *Act, is amended by adding at the end the following:*

14           “(r) **COLLEGE CARD AGREEMENTS.—**

15           “(1) **DEFINITIONS.—***For purposes of this sub-*  
 16           *section, the following definitions shall apply:*

17           “(A) **COLLEGE AFFINITY CARD.—***The term*  
 18           *‘college affinity card’ means a credit card issued*  
 19           *by a credit card issuer under an open end con-*  
 20           *sumer credit plan in conjunction with an agree-*  
 21           *ment between the issuer and an institution of*  
 22           *higher education, or an alumni organization or*  
 23           *foundation affiliated with or related to such in-*  
 24           *stitution, under which such cards are issued to*

1 college students who have an affinity with such  
2 institution, organization and—

3 “(i) the creditor has agreed to donate  
4 a portion of the proceeds of the credit card  
5 to the institution, organization, or founda-  
6 tion (including a lump sum or 1-time pay-  
7 ment of money for access);

8 “(ii) the creditor has agreed to offer  
9 discounted terms to the consumer; or

10 “(iii) the credit card bears the name,  
11 emblem, mascot, or logo of such institution,  
12 organization, or foundation, or other words,  
13 pictures, or symbols readily identified with  
14 such institution, organization, or founda-  
15 tion.

16 “(B) COLLEGE STUDENT CREDIT CARD AC-  
17 COUNT.—The term ‘college student credit card  
18 account’ means a credit card account under an  
19 open end consumer credit plan established or  
20 maintained for or on behalf of any college stu-  
21 dent.

22 “(C) COLLEGE STUDENT.—The term ‘college  
23 student’ means an individual who is a full-time  
24 or a part-time student attending an institution  
25 of higher education.



1                   “(D) *INSTITUTION OF HIGHER EDU-*  
2                   *CATION.—The term ‘institution of higher edu-*  
3                   *cation’ has the same meaning as in section 101*  
4                   *and 102 of the Higher Education Act of 1965*  
5                   *(20 U.S.C. 1001 and 1002).*

6                   “(2) *REPORTS BY CREDITORS.—*

7                   “(A) *IN GENERAL.—Each creditor shall sub-*  
8                   *mit an annual report to the Board containing*  
9                   *the terms and conditions of all business, mar-*  
10                  *keting, and promotional agreements and college*  
11                  *affinity card agreements with an institution of*  
12                  *higher education, or an alumni organization or*  
13                  *foundation affiliated with or related to such in-*  
14                  *stitution, with respect to any college student*  
15                  *credit card issued to a college student at such in-*  
16                  *stitution.*

17                  “(B) *DETAILS OF REPORT.—The informa-*  
18                  *tion required to be reported under subparagraph*  
19                  *(A) includes—*

20                  “(i) *any memorandum of under-*  
21                  *standing between or among a creditor, an*  
22                  *institution of higher education, an alumni*  
23                  *association, or foundation that directly or*  
24                  *indirectly relates to any aspect of any*  
25                  *agreement referred to in such subparagraph*

1           *or controls or directs any obligations or dis-*  
2           *tribution of benefits between or among any*  
3           *such entities;*

4           “(ii) *the amount of any payments from*  
5           *the creditor to the institution, organization,*  
6           *or foundation during the period covered by*  
7           *the report, and the precise terms of any*  
8           *agreement under which such amounts are*  
9           *determined; and*

10          “(iii) *the number of credit card ac-*  
11          *counts covered by any such agreement that*  
12          *were opened during the period covered by*  
13          *the report, and the total number of credit*  
14          *card accounts covered by the agreement that*  
15          *were outstanding at the end of such period.*

16          “(C) *AGGREGATION BY INSTITUTION.—The*  
17          *information required to be reported under sub-*  
18          *paragraph (A) shall be aggregated with respect*  
19          *to each institution of higher education or alumni*  
20          *organization or foundation affiliated with or re-*  
21          *lated to such institution.*

22          “(D) *INITIAL REPORT.—The initial report*  
23          *required under subparagraph (A) shall be sub-*  
24          *mitted to the Board before the end of the 9-month*

1           *period beginning on the date of enactment of this*  
2           *subsection.*

3           “(3) *REPORTS BY BOARD.*—*The Board shall sub-*  
4           *mit to the Congress, and make available to the public,*  
5           *an annual report that lists the information con-*  
6           *cerning credit card agreements submitted to the*  
7           *Board under paragraph (2) by each institution of*  
8           *higher education, alumni organization, or founda-*  
9           *tion.”.*

10          (b) *STUDY AND REPORT BY THE COMPTROLLER GEN-*  
11 *ERAL.*—

12           (1) *STUDY.*—*The Comptroller General of the*  
13           *United States shall, from time to time, review the re-*  
14           *ports submitted by creditors under section 127(r) of*  
15           *the Truth in Lending Act, as added by this section,*  
16           *and the marketing practices of creditors to determine*  
17           *the impact that college affinity card agreements and*  
18           *college student card agreements have on credit card*  
19           *debt.*

20           (2) *REPORT.*—*Upon completion of any study*  
21           *under paragraph (1), the Comptroller General shall*  
22           *periodically submit a report to the Congress on the*  
23           *findings and conclusions of the study, together with*  
24           *such recommendations for administrative or legisla-*

1        *tive action as the Comptroller General determines to*  
 2        *be appropriate.*

### 3                    **TITLE IV—GIFT CARDS**

#### 4        **SEC. 401. GENERAL-USE PREPAID CARDS, GIFT CERTIFI-** 5                    **CATES, AND STORE GIFT CARDS.**

6        *The Electronic Fund Transfer Act (15 U.S.C. 1693 et*  
 7        *seq.) is amended—*

8                    (1) *by redesignating sections 915 through 921 as*  
 9                    *sections 916 through 922, respectively; and*

10                    (2) *by inserting after section 914 the following:*

#### 11        **“SEC. 915. GENERAL-USE PREPAID CARDS, GIFT CERTIFI-** 12                    **CATES, AND STORE GIFT CARDS.**

13                    *“(a) DEFINITIONS.—In this section, the following defi-*  
 14        *initions shall apply:*

15                    *“(1) DORMANCY FEE; INACTIVITY CHARGE OR*  
 16        *FEE.—The terms ‘dormancy fee’ and ‘inactivity*  
 17        *charge or fee’ mean a fee, charge, or penalty for non-*  
 18        *use or inactivity of a gift certificate, store gift card,*  
 19        *or general-use prepaid card.*

20                    *“(2) GENERAL USE PREPAID CARD, GIFT CER-*  
 21        *TIFICATE, AND STORE GIFT CARD.—*

22                    *“(A) GENERAL-USE PREPAID CARD.—The*  
 23        *term ‘general-use prepaid card’ means a card or*  
 24        *other payment code or device issued by any per-*  
 25        *son that is—*

1           “(i) redeemable at multiple, unaffili-  
2           ated merchants or service providers, or  
3           automated teller machines;

4           “(ii) issued in a requested amount,  
5           whether or not that amount may, at the op-  
6           tion of the issuer, be increased in value or  
7           reloaded if requested by the holder;

8           “(iii) purchased or loaded on a pre-  
9           paid basis; and

10           “(iv) honored, upon presentation, by  
11           merchants for goods or services, or at auto-  
12           mated teller machines.

13           “(B) GIFT CERTIFICATE.—The term ‘gift  
14           certificate’ means an electronic promise that is—

15           “(i) redeemable at a single merchant or  
16           an affiliated group of merchants that share  
17           the same name, mark, or logo;

18           “(ii) issued in a specified amount that  
19           may not be increased or reloaded;

20           “(iii) purchased on a prepaid basis in  
21           exchange for payment; and

22           “(iv) honored upon presentation by  
23           such single merchant or affiliated group of  
24           merchants for goods or services.

1           “(C) *STORE GIFT CARD.*—*The term ‘store*  
2 *gift card’ means an electronic promise, plastic*  
3 *card, or other payment code or device that is—*

4           “(i) *redeemable at a single merchant or*  
5 *an affiliated group of merchants that share*  
6 *the same name, mark, or logo;*

7           “(ii) *issued in a specified amount,*  
8 *whether or not that amount may be in-*  
9 *creased in value or reloaded at the request*  
10 *of the holder;*

11           “(iii) *purchased on a prepaid basis in*  
12 *exchange for payment; and*

13           “(iv) *honored upon presentation by*  
14 *such single merchant or affiliated group of*  
15 *merchants for goods or services.*

16           “(D) *EXCLUSIONS.*—*The terms ‘general-use*  
17 *prepaid card’, ‘gift certificate’, and ‘store gift*  
18 *card’ do not include an electronic promise, plas-*  
19 *tic card, or payment code or device that is—*

20           “(i) *used solely for telephone services;*

21           “(ii) *reloadable and not marketed or*  
22 *labeled as a gift card or gift certificate;*

23           “(iii) *a loyalty, award, or promotional*  
24 *gift card, as defined by the Board;*

1                   “(iv) not marketed to the general pub-  
2                   lic;

3                   “(v) issued in paper form only (includ-  
4                   ing for tickets and events); or

5                   “(vi) redeemable solely for admission  
6                   to events or venues at a particular location  
7                   or group of affiliated locations, which may  
8                   also include services or goods obtainable—

9                   “(I) at the event or venue after  
10                  admission; or

11                  “(II) in conjunction with admis-  
12                  sion to such events or venues, at spe-  
13                  cific locations affiliated with and in  
14                  geographic proximity to the event or  
15                  venue.

16                  “(3) SERVICE FEE.—

17                  “(A) IN GENERAL.—The term ‘service fee’  
18                  means a periodic fee, charge, or penalty for hold-  
19                  ing or use of a gift certificate, store gift card, or  
20                  general-use prepaid card.

21                  “(B) EXCLUSION.—With respect to a gen-  
22                  eral-use prepaid card, the term ‘service fee’ does  
23                  not include a one-time initial issuance fee.

24                  “(b) PROHIBITION ON IMPOSITION OF FEES OR  
25                  CHARGES.—

1           “(1) *IN GENERAL.*—*Except as provided under*  
2 *paragraphs (2) through (4), it shall be unlawful for*  
3 *any person to impose a dormancy fee, an inactivity*  
4 *charge or fee, or a service fee with respect to a gift*  
5 *certificate, store gift card, or general-use prepaid*  
6 *card.*

7           “(2) *EXCEPTIONS.*—*A dormancy fee, inactivity*  
8 *charge or fee, or service fee may be charged with re-*  
9 *spect to a gift certificate, store gift card, or general-*  
10 *use prepaid card, if—*

11           “(A) *there has been no activity with respect*  
12 *to the certificate or card in the 12-month period*  
13 *ending on the date on which the charge or fee is*  
14 *imposed;*

15           “(B) *the disclosure requirements of para-*  
16 *graph (3) have been met;*

17           “(C) *not more than one fee may be charged*  
18 *in any given month; and*

19           “(D) *any additional requirements that the*  
20 *Board may establish through rulemaking under*  
21 *subsection (d) have been met.*

22           “(3) *DISCLOSURE REQUIREMENTS.*—*The disclo-*  
23 *sure requirements of this paragraph are met if—*



1           “(A) the gift certificate, store gift card, or  
2           general-use prepaid card clearly and conspicu-  
3           ously states—

4                   “(i) that a dormancy fee, inactivity  
5                   charge or fee, or service fee may be charged;

6                   “(ii) the amount of such fee or charge;

7                   “(iii) how often such fee or charge may  
8                   be assessed; and

9                   “(iv) that such fee or charge may be  
10                  assessed for inactivity; and

11           “(B) the issuer or vendor of such certificate  
12           or card informs the purchaser of such charge or  
13           fee before such certificate or card is purchased,  
14           regardless of whether the certificate or card is  
15           purchased in person, over the Internet, or by  
16           telephone.

17           “(4) EXCLUSION.—The prohibition under para-  
18           graph (1) shall not apply to any gift certificate—

19                   “(A) that is distributed pursuant to an  
20                   award, loyalty, or promotional program, as de-  
21                   fined by the Board; and

22                   “(B) with respect to which, there is no  
23                   money or other value exchanged.

24           “(c) PROHIBITION ON SALE OF GIFT CARDS WITH EX-  
25           PIRATION DATES.—

1           “(1) *IN GENERAL.*—*Except as provided under*  
2 *paragraph (2), it shall be unlawful for any person to*  
3 *sell or issue a gift certificate, store gift card, or gen-*  
4 *eral-use prepaid card that is subject to an expiration*  
5 *date.*

6           “(2) *EXCEPTIONS.*—*A gift certificate, store gift*  
7 *card, or general-use prepaid card may contain an ex-*  
8 *piration date if—*

9                   “(A) *the expiration date is not earlier than*  
10 *5 years after the date on which the gift certifi-*  
11 *cate was issued, or the date on which card funds*  
12 *were last loaded to a store gift card or general-*  
13 *use prepaid card; and*

14                   “(B) *the terms of expiration are clearly and*  
15 *conspicuously stated.*

16           “(d) *ADDITIONAL RULEMAKING.*—

17                   “(1) *IN GENERAL.*—*The Board shall—*

18                           “(A) *prescribe regulations to carry out this*  
19 *section, in addition to any other rules or regula-*  
20 *tions required by this title, including such addi-*  
21 *tional requirements as appropriate relating to*  
22 *the amount of dormancy fees, inactivity charges*  
23 *or fees, or service fees that may be assessed and*  
24 *the amount of remaining value of a gift certifi-*  
25 *cate, store gift card, or general-use prepaid card*

1 below which such charges or fees may be assessed;  
2 and

3 “(B) shall determine the extent to which the  
4 individual definitions and provisions of the Elec-  
5 tronic Fund Transfer Act or Regulation E  
6 should apply to general-use prepaid cards, gift  
7 certificates, and store gift cards.

8 “(2) CONSULTATION.—In prescribing regulations  
9 under this subsection, the Board shall consult with the  
10 Federal Trade Commission.

11 “(3) TIMING; EFFECTIVE DATE.—The regulations  
12 required by this subsection shall be issued in final  
13 form not later than 9 months after the date of enact-  
14 ment of the Credit CARD Act of 2009.”

15 **SEC. 402. RELATION TO STATE LAWS.**

16 Section 920 of the Electronic Fund Transfer Act (as  
17 redesignated by this title) is amended by inserting “dor-  
18 mancy fees, inactivity charges or fees, service fees, or expira-  
19 tion dates of gift certificates, store gift cards, or general-  
20 use prepaid cards,” after “electronic fund transfers,”

21 **SEC. 403. EFFECTIVE DATE.**

22 This title and the amendments made by this title shall  
23 become effective 15 months after the date of enactment of  
24 this Act.

1           **TITLE V—MISCELLANEOUS**  
2                           **PROVISIONS**

3   **SEC. 501. STUDY AND REPORT ON INTERCHANGE FEES.**

4           (a) *STUDY REQUIRED.*—*The Comptroller General of*  
5 *the United States (in this section referred to as the “Comp-*  
6 *troller”)* shall conduct a study on use of credit by con-  
7 *sumers, interchange fees, and their effects on consumers and*  
8 *merchants.*

9           (b) *SUBJECTS FOR REVIEW.*—*In conducting the study*  
10 *required by this section, the Comptroller shall review—*

11                   (1) *the extent to which interchange fees are re-*  
12 *quired to be disclosed to consumers and merchants,*  
13 *whether merchants are restricted from disclosing*  
14 *interchange or merchant discount fees, and how such*  
15 *fees are overseen by the Federal banking agencies or*  
16 *other regulators;*

17                   (2) *the ways in which the interchange system af-*  
18 *fects the ability of merchants of varying size to nego-*  
19 *tiate pricing with card associations and banks;*

20                   (3) *the costs and factors incorporated into inter-*  
21 *change fees, such as advertising, bonus miles, and re-*  
22 *wards, how such costs and factors vary among cards;*

23                   (4) *the consequences of the undisclosed nature of*  
24 *interchange fees on merchants and consumers with re-*  
25 *gard to prices charged for goods and services;*

1           (5) *how merchant discount fees compare to the*  
2           *credit losses and other costs that merchants incur to*  
3           *operate their own credit networks or store cards;*

4           (6) *the extent to which the rules of payment card*  
5           *networks and their policies regarding interchange fees*  
6           *are accessible to merchants;*

7           (7) *other jurisdictions where the central bank has*  
8           *regulated interchange fees and the impact on retail*  
9           *prices to consumers in such jurisdictions;*

10          (8) *whether and to what extent merchants are*  
11          *permitted to discount for cash; and*

12          (9) *the extent to which interchange fees allow*  
13          *smaller financial institutions and credit unions to*  
14          *offer payment cards and compete against larger fi-*  
15          *nancial institutions.*

16          (c) *REPORT REQUIRED.*—*Not later than 180 days*  
17          *after the date of enactment of this Act, the Comptroller shall*  
18          *submit a report to the Committee on Banking, Housing,*  
19          *and Urban Affairs of the Senate and the Committee on Fi-*  
20          *nancial Services of the House of Representatives containing*  
21          *a detailed summary of the findings and conclusions of the*  
22          *study required by this section, together with such rec-*  
23          *ommendations for legislative or administrative actions as*  
24          *may be appropriate.*

1 **SEC. 502. BOARD REVIEW OF CONSUMER CREDIT PLANS**  
2 **AND REGULATIONS.**

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

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

11 (2) *the effectiveness of disclosure of terms, fees,*  
12 *and other expenses of credit card plans;*

13 (3) *the adequacy of protections against unfair or*  
14 *deceptive acts or practices relating to credit card*  
15 *plans; and*

16 (4) *whether or not, and to what extent, the im-*  
17 *plementation of this Act and the amendments made*  
18 *by this Act has affected—*

19 (A) *cost and availability of credit, particu-*  
20 *larly with respect to non-prime borrowers;*

21 (B) *the safety and soundness of credit card*  
22 *issuers;*

23 (C) *the use of risk-based pricing; or*

24 (D) *credit card product innovation.*

25 (b) *SOLICITATION OF PUBLIC COMMENT.*—In connec-  
26 *tion with conducting the review required by subsection (a),*

1 *the Board shall solicit comment from consumers, credit card*  
2 *issuers, and other interested parties, such as through hear-*  
3 *ings or written comments.*

4 (c) *REGULATIONS.—*

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

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

12 (B) *either—*

13 (i) *proposes new or revised regulations*  
14 *or interpretations to update or revise disclo-*  
15 *sures and protections for consumer credit*  
16 *cards, as appropriate; or*

17 (ii) *states the reason for the determina-*  
18 *tion of the Board that new or revised regu-*  
19 *lations are not necessary.*

20 (2) *REVISION OF REVIEW PERIOD FOLLOWING*  
21 *MATERIAL REVISION OF REGULATIONS.—In the event*  
22 *that the Board materially revises regulations on con-*  
23 *sumer credit card plans, a review need not be con-*  
24 *ducted until 2 years after the effective date of the re-*  
25 *vised regulations, which thereafter shall be treated as*

1        *the new date for the biennial review required by sub-*  
2        *section (a).*

3        *(d) BOARD REPORT TO THE CONGRESS.—The Board*  
4        *shall report to Congress not less frequently than every 2*  
5        *years, except as provided in subsection (c)(2), on the status*  
6        *of its most recent review, its efforts to address any issues*  
7        *identified from the review, and any recommendations for*  
8        *legislation.*

9        *(e) ADDITIONAL REPORTING.—The Federal banking*  
10       *agencies (as that term is defined in section 3 of the Federal*  
11       *Deposit Insurance Act) and the Federal Trade Commission*  
12       *shall provide annually to the Board, and the Board shall*  
13       *include in its annual report to Congress under section 10*  
14       *of the Federal Reserve Act, information about the super-*  
15       *visory and enforcement activities of the agencies with re-*  
16       *spect to compliance by credit card issuers with applicable*  
17       *Federal consumer protection statutes and regulations, in-*  
18       *cluding—*

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

22                *(2) section 5 of the Federal Trade Commission*  
23                *Act, and regulations prescribed under the Federal*  
24                *Trade Commission Act, including part 227 of title 12*



1       of the Code of Federal Regulations, as prescribed by  
2       the Board (referred to as “Regulation AA”).

3 **SEC. 503. STORED VALUE.**

4       (a) *IN GENERAL.*—Not later than 270 days after the  
5 date of enactment of this Act, the Secretary of the Treasury,  
6 in consultation with the Secretary of Homeland Security,  
7 shall issue regulations in final form implementing the Bank  
8 Secrecy Act, regarding the sale, issuance, redemption, or  
9 international transport of stored value, including stored  
10 value cards.

11       (b) *CONSIDERATION OF INTERNATIONAL TRANS-*  
12 *PORT.*—Regulations under this section regarding inter-  
13 national transport of stored value may include reporting  
14 requirements pursuant to section 5316 of title 31, United  
15 States Code.

16       (c) *EMERGING METHODS FOR TRANSMITTAL AND*  
17 *STORAGE IN ELECTRONIC FORM.*—Regulations under this  
18 section shall take into consideration current and future  
19 needs and methodologies for transmitting and storing value  
20 in electronic form.

21 **SEC. 504. PROCEDURE FOR TIMELY SETTLEMENT OF ES-**  
22 **TATES OF DECEDENT OBLIGORS.**

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

1 **“§ 140A Procedure for timely settlement of estates of**  
 2 **decedent obligors**

3 *“The Board, in consultation with the Federal Trade*  
 4 *Commission and each other agency referred to in section*  
 5 *108(a), shall prescribe regulations to require any creditor,*  
 6 *with respect to any credit card account under an open end*  
 7 *consumer credit plan, to establish procedures to ensure that*  
 8 *any administrator of an estate of any deceased obligor with*  
 9 *respect to such account can resolve outstanding credit bal-*  
 10 *ances in a timely manner.”.*

11 (b) *CLERICAL AMENDMENT.—The table of sections for*  
 12 *chapter 2 of the Truth in Lending Act is amended by insert-*  
 13 *ing after the item relating to section 140 the following new*  
 14 *item:*

*“140A. Procedure for timely settlement of estates of decedent obligors’.”.*

15 **SEC. 505. REPORT TO CONGRESS ON REDUCTIONS OF CON-**  
 16 **SUMER CREDIT CARD LIMITS BASED ON CER-**  
 17 **TAIN INFORMATION AS TO EXPERIENCE OR**  
 18 **TRANSACTIONS OF THE CONSUMER.**

19 (a) *REPORT ON CREDITOR PRACTICES REQUIRED.—*  
 20 *Before the end of the 1-year period beginning on the date*  
 21 *of enactment of this Act, the Board, in consultation with*  
 22 *the Comptroller of the Currency, the Director of the Office*  
 23 *of Thrift Supervision, the Federal Deposit Insurance Cor-*  
 24 *poration, the National Credit Union Administration*  
 25 *Board, and the Federal Trade Commission, shall submit a*

1 report to the Committee on Financial Services of the House  
2 of Representatives and the Committee on Banking, Hous-  
3 ing, and Urban Affairs of the Senate on the extent to which,  
4 during the 3-year period ending on such date of enactment,  
5 creditors have reduced credit limits or raised interest rates  
6 applicable to credit card accounts under open end consumer  
7 credit plans based on—

8           (1) the geographic location where a credit trans-  
9 action with the consumer took place, or the identity  
10 of the merchant involved in the transaction;

11           (2) the credit transactions of the consumer, in-  
12 cluding the type of credit transaction, the type of  
13 items purchased in such transaction, the price of  
14 items purchased in such transaction, any change in  
15 the type or price of items purchased in such trans-  
16 actions, and other data pertaining to the use of such  
17 credit card account by the consumer; and

18           (3) the identity of the mortgage creditor which  
19 extended or holds the mortgage loan secured by the  
20 primary residence of the consumer.

21           (b) *OTHER INFORMATION.*—The report required under  
22 subsection (a) shall also include—

23           (1) the number of creditors that have engaged in  
24 the practices described in subsection (a);

1           (2) *the extent to which the practices described in*  
2           *subsection (a) have an adverse impact on minority or*  
3           *low-income consumers;*

4           (3) *any other relevant information regarding*  
5           *such practices; and*

6           (4) *recommendations to the Congress on any reg-*  
7           *ulatory or statutory changes that may be needed to*  
8           *restrict or prevent such practices.*

9   **SEC. 506. BOARD REVIEW OF SMALL BUSINESS CREDIT**  
10                           **PLANS AND RECOMMENDATIONS.**

11           (a) *REQUIRED REVIEW.*—*Not later than 9 months*  
12           *after the date of enactment of this Act, the Board shall con-*  
13           *duct a review of the use of credit cards by businesses with*  
14           *not more than 50 employees (in this section referred to as*  
15           *“small businesses”) and the credit card market for small*  
16           *businesses, including—*

17                   (1) *the terms of credit card agreements for small*  
18                   *businesses and the practices of credit card issuers re-*  
19                   *lating to small businesses;*

20                   (2) *the adequacy of disclosures of terms, fees, and*  
21                   *other expenses of credit card plans for small busi-*  
22                   *nesses;*

23                   (3) *the adequacy of protections against unfair or*  
24                   *deceptive acts or practices relating to credit card*  
25                   *plans for small businesses;*

1           (4) *the cost and availability of credit for small*  
2           *businesses, particularly with respect to non-prime*  
3           *borrowers;*

4           (5) *the use of risk-based pricing for small busi-*  
5           *nesses;*

6           (6) *credit card product innovation relating to*  
7           *small businesses; and*

8           (7) *the extent to which small business owners use*  
9           *personal credit cards to fund their business oper-*  
10          *ations.*

11          (b) *RECOMMENDATIONS.—Following the review re-*  
12          *quired by subsection (a), the Board shall, not later than*  
13          *12 months after the date of enactment of this Act—*

14               (1) *provide a report to Congress that summarizes*  
15               *the review and other evidence gathered by the Board,*  
16               *such as through consumer testing or other research,*  
17               *and*

18               (2) *make recommendations for administrative or*  
19               *legislative initiatives to provide protections for credit*  
20               *card plans for small businesses, as appropriate.*

21 **SEC. 507. SMALL BUSINESS INFORMATION SECURITY TASK**

22                               **FORCE.**

23           (a) *DEFINITIONS.—In this section—*

1           (1) *the terms “Administration” and “Adminis-*  
2           *trator” mean the Small Business Administration and*  
3           *the Administrator thereof, respectively;*

4           (2) *the term “small business concern” has the*  
5           *same meaning as in section 3 of the Small Business*  
6           *Act (15 U.S.C. 632); and*

7           (3) *the term “task force” means the task force es-*  
8           *tablished under subsection (b).*

9           (b) *ESTABLISHMENT.—The Administrator shall, in*  
10          *conjunction with the Secretary of Homeland Security, es-*  
11          *tablish a task force, to be known as the “Small Business*  
12          *Information Security Task Force”, to address the informa-*  
13          *tion technology security needs of small business concerns*  
14          *and to help small business concerns prevent the loss of credit*  
15          *card data.*

16          (c) *DUTIES.—The task force shall—*

17                 (1) *identify—*

18                         (A) *the information technology security*  
19                         *needs of small business concerns; and*

20                         (B) *the programs and services provided by*  
21                         *the Federal Government, State Governments, and*  
22                         *nongovernment organizations that serve those*  
23                         *needs;*

1           (2) *assess the extent to which the programs and*  
2           *services identified under paragraph (1)(B) serve the*  
3           *needs identified under paragraph (1)(A);*

4           (3) *make recommendations to the Administrator*  
5           *on how to more effectively serve the needs identified*  
6           *under paragraph (1)(A) through—*

7                   (A) *programs and services identified under*  
8                   *paragraph (1)(B); and*

9                   (B) *new programs and services promoted by*  
10                  *the task force;*

11          (4) *make recommendations on how the Adminis-*  
12          *trator may promote—*

13                   (A) *new programs and services that the task*  
14                   *force recommends under paragraph (3)(B); and*

15                   (B) *programs and services identified under*  
16                   *paragraph (1)(B);*

17          (5) *make recommendations on how the Adminis-*  
18          *trator may inform and educate with respect to—*

19                   (A) *the needs identified under paragraph*  
20                   *(1)(A);*

21                   (B) *new programs and services that the task*  
22                   *force recommends under paragraph (3)(B); and*

23                   (C) *programs and services identified under*  
24                   *paragraph (1)(B);*

1           (6) *make recommendations on how the Adminis-*  
2           *trator may more effectively work with public and pri-*  
3           *vate interests to address the information technology*  
4           *security needs of small business concerns; and*

5           (7) *make recommendations on the creation of a*  
6           *permanent advisory board that would make rec-*  
7           *ommendations to the Administrator on how to ad-*  
8           *dress the information technology security needs of*  
9           *small business concerns.*

10          (d) *INTERNET WEBSITE RECOMMENDATIONS.—The*  
11          *task force shall make recommendations to the Administrator*  
12          *relating to the establishment of an Internet website to be*  
13          *used by the Administration to receive and dispense infor-*  
14          *mation and resources with respect to the needs identified*  
15          *under subsection (c)(1)(A) and the programs and services*  
16          *identified under subsection (c)(1)(B). As part of the rec-*  
17          *ommendations, the task force shall identify the Internet sites*  
18          *of appropriate programs, services, and organizations, both*  
19          *public and private, to which the Internet website should*  
20          *link.*

21          (e) *EDUCATION PROGRAMS.—The task force shall make*  
22          *recommendations to the Administrator relating to devel-*  
23          *oping additional education materials and programs with*  
24          *respect to the needs identified under subsection (c)(1)(A).*



1       (f) *EXISTING MATERIALS.*—*The task force shall orga-*  
2 *nize and distribute existing materials that inform and edu-*  
3 *cate with respect to the needs identified under subsection*  
4 *(c)(1)(A) and the programs and services identified under*  
5 *subsection (c)(1)(B).*

6       (g) *COORDINATION WITH PUBLIC AND PRIVATE SEC-*  
7 *TOR.*—*In carrying out its responsibilities under this sec-*  
8 *tion, the task force shall coordinate with, and may accept*  
9 *materials and assistance as it determines appropriate from,*  
10 *public and private entities, including—*

11           (1) *any subordinate officer of the Administrator;*

12           (2) *any organization authorized by the Small*  
13 *Business Act to provide assistance and advice to*  
14 *small business concerns;*

15           (3) *other Federal agencies, their officers, or em-*  
16 *ployees; and*

17           (4) *any other organization, entity, or person not*  
18 *described in paragraph (1), (2), or (3).*

19       (h) *APPOINTMENT OF MEMBERS.*—

20           (1) *CHAIRPERSON AND VICE-CHAIRPERSON.*—*The*  
21 *task force shall have—*

22                   (A) *a Chairperson, appointed by the Ad-*  
23 *ministrator; and*

24                   (B) *a Vice-Chairperson, appointed by the*  
25 *Administrator, in consultation with appropriate*

1           nongovernmental organizations, entities, or per-  
2           sons.

3           (2) *MEMBERS.*—

4                   (A) *CHAIRPERSON AND VICE-CHAIR-*  
5                   *PERSON.*—*The Chairperson and the Vice-Chair-*  
6                   *person shall serve as members of the task force.*

7                   (B) *ADDITIONAL MEMBERS.*—

8                           (i) *IN GENERAL.*—*The task force shall*  
9                           *have additional members, each of whom*  
10                           *shall be appointed by the Chairperson, with*  
11                           *the approval of the Administrator.*

12                           (ii) *NUMBER OF MEMBERS.*—*The num-*  
13                           *ber of additional members shall be deter-*  
14                           *mined by the Chairperson, in consultation*  
15                           *with the Administrator, except that—*

16                                   (I) *the additional members shall*  
17                                   *include, for each of the groups specified*  
18                                   *in paragraph (3), at least 1 member*  
19                                   *appointed from within that group; and*

20                                   (II) *the number of additional*  
21                                   *members shall not exceed 13.*

22                   (3) *GROUPS REPRESENTED.*—*The groups speci-*  
23                   *fied in this paragraph are—*

24                           (A) *subject matter experts;*

1           (B) users of information technologies within  
2           small business concerns;

3           (C) vendors of information technologies to  
4           small business concerns;

5           (D) academics with expertise in the use of  
6           information technologies to support business;

7           (E) small business trade associations;

8           (F) Federal, State, or local agencies, includ-  
9           ing the Department of Homeland Security, en-  
10          gaged in securing cyberspace; and

11          (G) information technology training pro-  
12          viders with expertise in the use of information  
13          technologies to support business.

14          (4) *POLITICAL AFFILIATION.*—The appointments  
15          under this subsection shall be made without regard to  
16          political affiliation.

17          (i) *MEETINGS.*—

18               (1) *FREQUENCY.*—The task force shall meet at  
19               least 2 times per year, and more frequently if nec-  
20               essary to perform its duties.

21               (2) *QUORUM.*—A majority of the members of the  
22               task force shall constitute a quorum.

23               (3) *LOCATION.*—The Administrator shall des-  
24               ignate, and make available to the task force, a loca-

1        *tion at a facility under the control of the Adminis-*  
2        *trator for use by the task force for its meetings.*

3            (4) *MINUTES.—*

4            (A) *IN GENERAL.—Not later than 30 days*  
5        *after the date of each meeting, the task force shall*  
6        *publish the minutes of the meeting in the Federal*  
7        *Register and shall submit to the Administrator*  
8        *any findings or recommendations approved at*  
9        *the meeting.*

10          (B) *SUBMISSION TO CONGRESS.—Not later*  
11        *than 60 days after the date that the Adminis-*  
12        *trator receives minutes under subparagraph (A),*  
13        *the Administrator shall submit to the Committee*  
14        *on Small Business and Entrepreneurship of the*  
15        *Senate and the Committee on Small Business of*  
16        *the House of Representatives such minutes, to-*  
17        *gether with any comments the Administrator*  
18        *considers appropriate.*

19          (5) *FINDINGS.—*

20          (A) *IN GENERAL.—Not later than the date*  
21        *on which the task force terminates under sub-*  
22        *section (m), the task force shall submit to the Ad-*  
23        *ministrator a final report on any findings and*  
24        *recommendations of the task force approved at a*  
25        *meeting of the task force.*

1           (B) *SUBMISSION TO CONGRESS.*—Not later  
2           than 90 days after the date on which the Admin-  
3           istrator receives the report under subparagraph  
4           (A), the Administrator shall submit to the Com-  
5           mittee on Small Business and Entrepreneurship  
6           of the Senate and the Committee on Small Busi-  
7           ness of the House of Representatives the full text  
8           of the report submitted under subparagraph (A),  
9           together with any comments the Administrator  
10          considers appropriate.

11       (j) *PERSONNEL MATTERS.*—

12           (1) *COMPENSATION OF MEMBERS.*—Each mem-  
13          ber of the task force shall serve without pay for their  
14          service on the task force.

15           (2) *TRAVEL EXPENSES.*—Each member of the  
16          task force shall receive travel expenses, including per  
17          diem in lieu of subsistence, in accordance with appli-  
18          cable provisions under subchapter I of chapter 57 of  
19          title 5, United States Code.

20           (3) *DETAIL OF SBA EMPLOYEES.*—The Adminis-  
21          trator may detail, without reimbursement, any of the  
22          personnel of the Administration to the task force to  
23          assist it in carrying out the duties of the task force.  
24          Such a detail shall be without interruption or loss of  
25          civil status or privilege.

1           (4) *SBA SUPPORT OF THE TASK FORCE.*—Upon  
2           the request of the task force, the Administrator shall  
3           provide to the task force the administrative support  
4           services that the Administrator and the Chairperson  
5           jointly determine to be necessary for the task force to  
6           carry out its duties.

7           (k) *NOT SUBJECT TO FEDERAL ADVISORY COMMITTEE*  
8           *ACT.*—The Federal Advisory Committee Act (5 U.S.C.  
9           App.) shall not apply to the task force.

10          (l) *STARTUP DEADLINES.*—The initial appointment of  
11          the members of the task force shall be completed not later  
12          than 90 days after the date of enactment of this Act, and  
13          the first meeting of the task force shall be not later than  
14          180 days after the date of enactment of this Act.

15          (m) *TERMINATION.*—

16               (1) *IN GENERAL.*—Except as provided in para-  
17               graph (2), the task force shall terminate at the end of  
18               fiscal year 2013.

19               (2) *EXCEPTION.*—If, as of the termination date  
20               under paragraph (1), the task force has not complied  
21               with subsection (i)(4) with respect to 1 or more meet-  
22               ings, then the task force shall continue after the termi-  
23               nation date for the sole purpose of achieving compli-  
24               ance with subsection (i)(4) with respect to those meet-  
25               ings.

1       (n) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*  
2 *authorized to be appropriated to carry out this section*  
3 *\$300,000 for each of fiscal years 2010 through 2013.*

4 **SEC. 508. STUDY AND REPORT ON EMERGENCY PIN TECH-**  
5 **NOLOGY.**

6       (a) *IN GENERAL.*—*The Federal Trade Commission, in*  
7 *consultation with the Attorney General of the United States*  
8 *and the United States Secret Service, shall conduct a study*  
9 *on the cost-effectiveness of making available at automated*  
10 *teller machines technology that enables a consumer that is*  
11 *under duress to electronically alert a local law enforcement*  
12 *agency that an incident is taking place at such automated*  
13 *teller machine, including—*

14           (1) *an emergency personal identification number*  
15 *that would summon a local law enforcement officer to*  
16 *an automated teller machine when entered into such*  
17 *automated teller machine; and*

18           (2) *a mechanism on the exterior of an automated*  
19 *teller machine that, when pressed, would summon a*  
20 *local law enforcement to such automated teller ma-*  
21 *chine.*

22       (b) *CONTENTS OF STUDY.*—*The study required under*  
23 *subsection (a) shall include—*





1       (b) *AREAS OF CONCERN.*—*The study conducted under*  
2 *this section shall evaluate—*

3           (1) *the suitability of the offer of products de-*  
4 *scribed in subsection (a) for target customers;*

5           (2) *the predatory nature of such offers; and*

6           (3) *specifically for debt cancellation or suspen-*  
7 *sion agreements and credit insurance products, loss*  
8 *rates compared to more traditional insurance prod-*  
9 *ucts.*

10       (c) *REPORT TO CONGRESS.*—*The Comptroller shall*  
11 *submit a report to Congress on the results of the study re-*  
12 *quired by this section not later than December 31, 2010.*

13 **SEC. 510. FINANCIAL AND ECONOMIC LITERACY.**

14       (a) *REPORT ON FEDERAL FINANCIAL AND ECONOMIC*  
15 *LITERACY EDUCATION PROGRAMS.*—

16           (1) *IN GENERAL.*—*Not later than 9 months after*  
17 *the date of enactment of this Act, the Secretary of*  
18 *Education and the Director of the Office of Financial*  
19 *Education of the Department of the Treasury shall co-*  
20 *ordinate with the President's Advisory Council on Fi-*  
21 *ancial Literacy—*

22           (A) *to evaluate and compile a comprehen-*  
23 *sive summary of all existing Federal financial*  
24 *and economic literacy education programs, as of*  
25 *the time of the report; and*

1           (B) to prepare and submit a report to Con-  
2           gress on the findings of the evaluations.

3           (2) CONTENTS.—The report required by this sub-  
4           section shall address, at a minimum—

5           (A) the 2008 recommendations of the Presi-  
6           dent’s Advisory Council on Financial Literacy;

7           (B) existing Federal financial and economic  
8           literacy education programs for grades kinder-  
9           garten through grade 12, and annual funding to  
10          support these programs;

11          (C) existing Federal postsecondary financial  
12          and economic literacy education programs and  
13          annual funding to support these programs;

14          (D) the current financial and economic lit-  
15          eracy education needs of adults, and in par-  
16          ticular, low- and moderate-income adults;

17          (E) ways to incorporate and disseminate  
18          best practices and high quality curricula in fi-  
19          nancial and economic literacy education; and

20          (F) specific recommendations on sources of  
21          revenue to support financial and economic lit-  
22          eracy education activities with a specific anal-  
23          ysis of the potential use of credit card trans-  
24          action fees.

25          (b) STRATEGIC PLAN.—

1           (1) *IN GENERAL.*—*The Secretary of Education*  
2           *and the Director of the Office of Financial Education*  
3           *of the Department of the Treasury shall coordinate*  
4           *with the President’s Advisory Council on Financial*  
5           *Literacy to develop a strategic plan to improve and*  
6           *expand financial and economic literacy education.*

7           (2) *CONTENTS.*—*The plan developed under this*  
8           *subsection shall—*

9                   (A) *incorporate findings from the report*  
10                  *and evaluations of existing Federal financial*  
11                  *and economic literacy education programs under*  
12                  *subsection (a); and*

13                   (B) *include proposals to improve, expand,*  
14                  *and support financial and economic literacy*  
15                  *education based on the findings of the report and*  
16                  *evaluations.*

17           (3) *PRESENTATION TO CONGRESS.*—*The plan de-*  
18           *veloped under this subsection shall be presented to*  
19           *Congress not later than 6 months after the date on*  
20           *which the report under subsection (a) is submitted to*  
21           *Congress.*

22           (c) *EFFECTIVE DATE.*—*Notwithstanding section 3,*  
23           *this section shall become effective on the date of enactment*  
24           *of this Act.*

1 **SEC. 511. FEDERAL TRADE COMMISSION RULEMAKING ON**  
2 **MORTGAGE LENDING.**

3 (a) *IN GENERAL.*—Section 626 of division D of the  
4 *Omnibus Appropriations Act, 2009 (Public Law 111–8)* is  
5 amended—

6 (1) *in subsection (a)*—

7 (A) *by striking “Within” and inserting “(1)*  
8 *Within”;*

9 (B) *in paragraph (1), as designated by sub-*  
10 *paragraph (A), by inserting after the first sen-*  
11 *tence the following: “Such rulemaking shall re-*  
12 *late to unfair or deceptive acts or practices re-*  
13 *garding mortgage loans, which may include un-*  
14 *fair or deceptive acts or practices involving loan*  
15 *modification and foreclosure rescue services.”;*  
16 *and*

17 (C) *by adding at the end the following:*

18 “(2) *Paragraph (1) shall not be construed to au-*  
19 *thorize the Federal Trade Commission to promulgate*  
20 *a rule with respect to an entity that is not subject to*  
21 *enforcement of the Federal Trade Commission Act (15*  
22 *U.S.C. 41 et seq.) by the Commission.*

23 “(3) *Before issuing a final rule pursuant to the*  
24 *proceeding initiated under paragraph (1), the Federal*  
25 *Trade Commission shall consult with the Federal Re-*  
26 *serve Board concerning any portion of the proposed*

1       *rule applicable to acts or practices to which the provi-*  
2       *sions of the Truth in Lending Act (15 U.S.C. 1601*  
3       *et seq.) may apply.*

4               *“(4) The Federal Trade Commission shall enforce*  
5       *the rules issued under paragraph (1) in the same*  
6       *manner, by the same means, and with the same juris-*  
7       *isdiction, powers, and duties as though all applicable*  
8       *terms and provisions of the Federal Trade Commis-*  
9       *sion Act (15 U.S.C. 41 et seq.) were incorporated into*  
10       *and made part of this section.”; and*

11               *(2) in subsection (b)—*

12                       *(A) by striking so much as precedes para-*  
13                       *graph (2) and inserting the following:*

14               *“(b)(1) Except as provided in paragraph (6), in any*  
15       *case in which the attorney general of a State has reason*  
16       *to believe that an interest of the residents of that State has*  
17       *been or is threatened or adversely affected by the engage-*  
18       *ment of any person subject to a rule prescribed under sub-*  
19       *section (a) in a practice that violates such rule, the State,*  
20       *as parens patriae, may bring a civil action on behalf of*  
21       *the residents of the State in an appropriate district court*  
22       *of the United States or other court of competent jurisdic-*  
23       *tion—*

24                       *“(A) to enjoin that practice;*

25                       *“(B) to enforce compliance with the rule;*

1           “(C) to obtain damages, restitution, or other  
2           compensation on behalf of residents of the State; or

3           “(D) to obtain penalties and relief provided by  
4           the Federal Trade Commission Act and such other re-  
5           lief as the court considers appropriate.”; and

6                       (B) in paragraphs (2), (3), and (6), by  
7           striking “Commission” each place it appears  
8           and inserting “primary Federal regulator”.

9           (b) *EFFECTIVE DATE.*—The amendments made by sub-  
10          section (a) shall take effect on March 12, 2009.

11          **SEC. 512. PROTECTING AMERICANS FROM VIOLENT CRIME.**

12          (a) *CONGRESSIONAL FINDINGS.*—Congress finds the  
13          following:

14                       (1) *The Second Amendment to the Constitution*  
15                       *provides that “the right of the people to keep and bear*  
16                       *Arms, shall not be infringed”.*

17                       (2) *Section 2.4(a)(1) of title 36, Code of Federal*  
18                       *Regulations, provides that “except as otherwise pro-*  
19                       *vided in this section and parts 7 (special regulations)*  
20                       *and 13 (Alaska regulations), the following are prohib-*  
21                       *ited: (i) Possessing a weapon, trap or net (ii) Car-*  
22                       *rying a weapon, trap or net (iii) Using a weapon,*  
23                       *trap or net”.*

24                       (3) *Section 27.42 of title 50, Code of Federal*  
25                       *Regulations, provides that, except in special cir-*

1 *cumstances, citizens of the United States may not*  
2 *“possess, use, or transport firearms on national wild-*  
3 *life refuges” of the United States Fish and Wildlife*  
4 *Service.*

5 *(4) The regulations described in paragraphs (2)*  
6 *and (3) prevent individuals complying with Federal*  
7 *and State laws from exercising the second amendment*  
8 *rights of the individuals while at units of—*

9 *(A) the National Park System; and*

10 *(B) the National Wildlife Refuge System.*

11 *(5) The existence of different laws relating to the*  
12 *transportation and possession of firearms at different*  
13 *units of the National Park System and the National*  
14 *Wildlife Refuge System entrapped law-abiding gun*  
15 *owners while at units of the National Park System*  
16 *and the National Wildlife Refuge System.*

17 *(6) Although the Bush administration issued*  
18 *new regulations relating to the Second Amendment*  
19 *rights of law-abiding citizens in units of the National*  
20 *Park System and National Wildlife Refuge System*  
21 *that went into effect on January 9, 2009—*

22 *(A) on March 19, 2009, the United States*  
23 *District Court for the District of Columbia*  
24 *granted a preliminary injunction with respect to*

1           *the implementation and enforcement of the new*  
2           *regulations; and*

3                   *(B) the new regulations—*

4                           *(i) are under review by the adminis-*  
5                           *tration; and*

6                           *(ii) may be altered.*

7           *(7) Congress needs to weigh in on the new regu-*  
8           *lations to ensure that unelected bureaucrats and*  
9           *judges cannot again override the Second Amendment*  
10          *rights of law-abiding citizens on 83,600,000 acres of*  
11          *National Park System land and 90,790,000 acres of*  
12          *land under the jurisdiction of the United States Fish*  
13          *and Wildlife Service.*

14                   *(8) The Federal laws should make it clear that*  
15                   *the second amendment rights of an individual at a*  
16                   *unit of the National Park System or the National*  
17                   *Wildlife Refuge System should not be infringed.*

18           *(b) PROTECTING THE RIGHT OF INDIVIDUALS TO*  
19          *BEAR ARMS IN UNITS OF THE NATIONAL PARK SYSTEM*  
20          *AND THE NATIONAL WILDLIFE REFUGE SYSTEM.—The Sec-*  
21          *retary of the Interior shall not promulgate or enforce any*  
22          *regulation that prohibits an individual from possessing a*  
23          *firearm including an assembled or functional firearm in*  
24          *any unit of the National Park System or the National Wild-*  
25          *life Refuge System if—*



1           (1) *the individual is not otherwise prohibited by*  
2           *law from possessing the firearm; and*

3           (2) *the possession of the firearm is in compliance*  
4           *with the law of the State in which the unit of the Na-*  
5           *tional Park System or the National Wildlife Refuge*  
6           *System is located.*

7   **SEC. 513. GAO STUDY AND REPORT ON FLUENCY IN THE**  
8                           **ENGLISH LANGUAGE AND FINANCIAL LIT-**  
9                           **ERACY.**

10          (a) *STUDY.*—*The Comptroller General of the United*  
11          *States shall conduct a study examining—*

12               (1) *the relationship between fluency in the*  
13               *English language and financial literacy; and*

14               (2) *the extent, if any, to which individuals whose*  
15               *native language is a language other than English are*  
16               *impeded in their conduct of their financial affairs.*

17          (b) *REPORT.*—*Not later than 1 year after the date of*  
18          *enactment of this Act, the Comptroller General of the United*  
19          *States shall submit a report to the Committee on Banking,*  
20          *Housing, and Urban Affairs of the Senate and the Com-*  
21          *mittee on Financial Services of the House of Representa-*

- 1 *tives that contains a detailed summary of the findings and*
- 2 *conclusions of the study required under subsection (a).*

Attest:

*Secretary.*



11TH CONGRESS  
1ST SESSION

**H.R. 627**

**AMENDMENT**