

AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. POLIS OF COLORADO

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

1 SEC. 9. FIRST-TIME CREDIT CARD APPLICANTS.

2 Section 127B of the Truth in Lending Act is amend-
3 ed by inserting after subsection (p) (as added by section
4 6) the following new subsection:

5 “(q) FIRST-TIME CREDIT CARD APPLICANTS.—

6 “(1) IN GENERAL.—No creditor may open any
7 credit card account under an open end consumer
8 credit plan for, or issue any credit card to, any con-
9 sumer who has not previously been the primary sign-
10 er for a credit card account under an open end con-
11 sumer credit plan, unless such consumer has com-
12 pleted a financial literacy course that specifically
13 covers consumer credit card accounts under open
14 end consumer credit plans..

15 “(2) MINIMUM REQUIREMENTS.—Before the
16 end of the 3-month period beginning on the date of
17 the enactment of the Credit Cardholders’ Bill of
18 Rights Act of 2009, the Secretary of the Treasury
19 shall establish a minimum curriculum for any finan-

1 cial literacy course offered to meet the requirements
2 of paragraph (1) which shall include the following:

3 “(A) Definitions of the various types of
4 penalties which may be imposed in connection
5 with consumer credit card accounts and the cir-
6 cumstances under which such penalties may be
7 imposed.

8 “(B) An explanation of interest rates, in
9 general, and annual percentage rates under
10 open end consumer credit plans, in particular.

11 “(C) An explanation of the impact that re-
12 porting, particularly adverse reporting, to con-
13 sumer reporting agencies may have on future
14 access to credit.

15 “(D) An explanation of the differences be-
16 tween cash withdrawals and credit charges in
17 connection with a credit card account.

18 “(E) An explanation of the types and in-
19 formation that is reported to consumer report-
20 ing agencies, including the impact of carried
21 balances.

22 “(F) Practical examples of the costs of
23 short-term and long-term balance amortization.

24 “(3) COURSES OFFERED BY CREDITORS.—

1 “(A) IN GENERAL.—Each creditor which
2 offers credit card accounts under open end con-
3 sumer credit plans shall—

4 “(i) establish and maintain a financial
5 literacy course that meets the requirements
6 of this subsection available to consumer
7 applicants described in paragraph (1) for
8 such credit card accounts through a secure
9 website as a condition for an application by
10 any such applicant; and

11 “(ii) certify completion of such course
12 and demonstrable comprehension of the
13 material presented on-line or via mail.

14 “(B) IMPLEMENTATION.—Each creditor
15 which offers credit card accounts under open
16 end consumer credit plans as of the date of the
17 enactment of the Credit Cardholders’ Bill of
18 Rights Act of 2009 shall meet the requirements
19 of subparagraph (A) before the end of the 6-
20 month period beginning on such date of enact-
21 ment .”.

