#3 Revised

AMENDMENT TO H.R. 627, AS REPORTED

OFFERED BY MR. HINCHEY OF NEW YORK

[Page and line numbers refer to the version of the reported bill on the Rules Committee website]

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

1 **SEC. 9. NATIONAL CONSUMER CREDIT CARD USURY RATE.**

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

5 "(q) NATIONAL CONSUMER CREDIT CARD USURY
6 RATE.—

7 "(1) LIMITATION ESTABLISHED.—Notwith-
8 standing any other provision of law, but except as
9 provided in paragraph (2)—

10 "(A) the annual percentage rate applicable
11 to any extension of credit on a credit card ac-
12 count established under an open end consumer
13 credit plan may not exceed 18 percent on un-
14 paid balances, inclusive of all finance charges;

15 "(B) any fees that are not considered fi-
16 nance charges under section 106(a) may not be

1 used to evade the limitations of this paragraph;
2 and
3 "(C) the total sum of such fees may not
4 exceed the total amount of finance charges as-
5 sessed.
6 "(2) EXCEPTIONS.—
7 "(A) BOARD AUTHORITY.—The Board may
8 establish, after consultation with the appro-
9 priate committees of the Congress, the Sec-
10 retary of the Treasury, and any other interested
11 Federal financial institution regulatory agency,
12 an annual percentage rate of interest ceiling ex-
13 ceeding the 18 percent annual rate under para-
14 graph (1) for periods of not to exceed 18
15 months, upon a determination that—
16 "(i) money market interest rates have
17 risen over the preceding 6-month period;
18 and
19 "(ii) prevailing interest rate levels
20 threaten the safety and soundness of indi-
21 vidual lenders, as evidenced by adverse
22 trends in liquidity, capital, earnings, and
23 growth.
24 "(B) TREATMENT OF CREDIT UNIONS.—
25 The limitation in paragraph (1) shall not apply

1 with respect to any extension of credit by an in-
2 sured credit union, as that term is defined in
3 section 101 of the Federal Credit Union Act.
4 "(3) PENALTIES FOR CHARGING HIGHER
5 RATES.—
6 "(A) VIOLATION.—The taking, receiving,
7 reserving, or charging of an annual percentage
8 rate or fee greater than that permitted by para-
9 graph (1), when knowingly done, shall be
10 deemed a violation of this title, and a forfeiture
11 of the entire interest which the note, bill, or
12 other evidence of the obligation carries with it,
13 or which has been agreed to be paid thereon.
14 "(B) REFUND OF INTEREST AMOUNTS.—If
15 an annual percentage rate or fee greater than
16 that permitted under paragraph (1) has been
17 paid, the person by whom it has been paid, or
18 the legal representative thereof, may, by bring-
19 ing an action not later than 2 years after the
20 date on which the usurious collection was last
21 made, recover back from the lender in an action
22 in the nature of an action of debt, the entire
23 amount of interest, finance charges, or fees
24 paid.".