

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 7056
OFFERED BY MS. WATERS OF CALIFORNIA**

Page 7, line 8, strike “Section” and insert the following:

1 (1) IN GENERAL.—Section

Page 7, after line 11, insert the following:

2 (2) CAP ON CREDIT CARD INTEREST RATES.—

3 (A) IN GENERAL.—Section 107 of the
4 Truth in Lending Act (15 U.S.C. 1606) is
5 amended by adding at the end the following:

6 “(f)(1) The annual percentage rate applicable to an
7 extension of credit obtained by use of a credit card may
8 not exceed 10 percentage points, inclusive of all finance
9 charges, as calculated pursuant to subsection (a)(2). This
10 paragraph shall not be subject to the exemption authority
11 of the Bureau in section 105(f).

12 “(2) Any fees that are not considered finance charges
13 under section 106(a) may not be used to evade the limita-
14 tions of paragraph (1), and the total sum of such fees may
15 not exceed the total amount of finance charges assessed.

1 “(3) The taking, receiving, reserving, or charging of
2 a credit card annual percentage rate or fee greater than
3 that permitted under this subsection, when knowingly
4 done, shall be deemed a violation of this title, and a for-
5 feiture of the entire interest which the note, bill, or other
6 evidence of the obligation carries with it, or which has
7 been agreed to be paid thereon.

8 “(4) If a credit card annual percentage rate or fee
9 greater than that permitted under this subsection has
10 been paid, the person by whom it has been paid, or the
11 legal representative thereof, may, by bringing an action
12 not later than 2 years after the date on which the usurious
13 collection was last made, recover back from the lender in
14 an action in the nature of an action of debt, the entire
15 amount of interest, finance charges, or fees paid.

16 “(5) Any creditor who violates this subsection shall
17 be subject to the provisions of section 130.

18 “(g) Nothing in this section may be construed to pre-
19 empt any provision of State law that provides greater pro-
20 tection to consumers than is provided under this section.”.

21 (B) TECHNICAL AND CONFORMING AMEND-
22 MENT.—Section 130(a) of the Truth in Lend-
23 ing Act (15 U.S.C. 1640(a)) is amended, in the
24 matter preceding paragraph (1), by inserting
25 “section 107(f),” before “this chapter”.

1 (C) SUNSET.—

2 (i) IN GENERAL.—The Truth in Lend-
3 ing Act (15 U.S.C. 1601 et seq.) is amend-
4 ed—

5 (I) in section 107 (15 U.S.C.
6 1606), by striking subsections (f) and
7 (g); and

8 (II) in section 130(a) (15 U.S.C.
9 1640(a)), in the matter preceding
10 paragraph (1), by striking “section
11 107(f),”.

12 (ii) EFFECTIVE DATE.—The amend-
13 ments made by clause (i) shall take effect
14 1 year after the date of enactment of this
15 Act.



