

110TH CONGRESS  
1ST SESSION

# H. R. 2146

To amend the Truth in Lending Act to prohibit universal defaults on credit card accounts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 3, 2007

Mr. ELLISON (for himself, Ms. CORRINE BROWN of Florida, Mr. CLAY, Mr. CLEAVER, Mr. AL GREEN of Texas, Mr. HODES, Mr. HONDA, Ms. MCCOLLUM of Minnesota, Mr. OBERSTAR, Mr. PERLMUTTER, Mr. WALZ of Minnesota, Ms. WATERS, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Truth in Lending Act to prohibit universal defaults on credit card accounts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Universal Default Pro-  
5 hibition Act of 2007”.

1 **SEC. 2. PROHIBIT UNIVERSAL DEFAULTS ON CREDIT CARD**  
2 **ACCOUNTS.**

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

6 “(i) UNIVERSAL DEFAULTS PROHIBITED.—

7 “(1) IN GENERAL.—No creditor may use any  
8 adverse information concerning any consumer, in-  
9 cluding any information in any consumer report (as  
10 defined in section 603) or any change in the credit  
11 score of the consumer, as the basis for increasing  
12 any annual percentage rate of interest applicable to  
13 a credit card account of the consumer under an open  
14 end consumer credit plan, or to remove or increase  
15 any introductory annual percentage rate of interest  
16 applicable to such account, for reasons other than  
17 actions or omissions of the consumer that are di-  
18 rectly related to such account.

19 “(2) NOTICE TO CONSUMER.—The limitation  
20 under paragraph (1) on the use of adverse informa-  
21 tion by a credit card issuer shall be clearly and con-  
22 spicuously described to the consumer by the credit  
23 card issuer in any disclosure or statement required  
24 under subsection (a) or (b).”

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