

111TH CONGRESS
1ST SESSION

S. 131

To amend the Truth in Lending Act to provide for enhanced disclosure under an open end credit plan.

IN THE SENATE OF THE UNITED STATES

JANUARY 6, 2009

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Truth in Lending Act to provide for enhanced disclosure under an open end credit plan.

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 “Credit Card Minimum
5 Payment Notification Act of 2009”.

6 **SEC. 2. ENHANCED DISCLOSURE UNDER AN OPEN END**
7 **CREDIT PLAN.**

8 Section 127(b) of the Truth in Lending Act (15
9 U.S.C. 1637(b)) is amended by adding at the end the fol-
10 lowing:

1 “(13) ENHANCED DISCLOSURE UNDER AN
2 OPEN END CREDIT PLAN.—

3 “(A) IN GENERAL.—A credit card issuer
4 shall, with each billing statement provided to a
5 cardholder in a State, provide the following on
6 the front of the first page of the billing state-
7 ment, in type no smaller than that required for
8 any other required disclosure, but in no case in
9 less than 8-point capitalized type:

10 “(i) A written statement in the fol-
11 lowing form: ‘Minimum Payment Warning:
12 Making only the minimum payment will in-
13 crease the interest you pay and the time it
14 takes to repay your balance.’.

15 “(ii)(I) A written statement providing
16 individualized information indicating the
17 number of years and months and the total
18 cost to pay off the entire balance due on
19 an open-end credit card account, if the
20 cardholder were to pay only the minimum
21 amount due on the open-end credit card
22 account, based upon the terms of the cred-
23 it agreement.

1 “(II) For purposes of this clause only,
2 if the open-end credit card account is sub-
3 ject to a variable rate—

4 “(aa) the creditor may make dis-
5 losures based on the rate for the en-
6 tire balance as of the date of the dis-
7 closure and indicate that the rate may
8 vary; and

9 “(bb) the cardholder shall be pro-
10 vided with referrals or, in the alter-
11 native, with the toll free telephone
12 number of the National Foundation
13 for Credit Counseling (or any suc-
14 cessor thereto) through which the
15 cardholder can be referred to credit
16 counseling services in, or closest to,
17 the cardholder’s county of residence,
18 which credit counseling service shall
19 be in good standing with the National
20 Foundation for Credit Counseling or
21 accredited by the Council on Accredi-
22 tation for Children and Family Serv-
23 ices (or any successors thereto).

24 “(B) DEFINITION OF OPEN-END CREDIT
25 CARD ACCOUNT.—In this paragraph, the term

1 ‘open-end credit card account’ means an ac-
2 count in which consumer credit is granted by a
3 creditor under a plan in which the creditor rea-
4 sonably contemplates repeated transactions, the
5 creditor may impose a finance charge from time
6 to time on an unpaid balance, and the amount
7 of credit that may be extended to the consumer
8 during the term of the plan is generally made
9 available to the extent that any outstanding bal-
10 ance is repaid and up to any limit set by the
11 creditor.

12 “(C) EXEMPTIONS.—

13 “(i) MINIMUM PAYMENT OF NOT LESS
14 THAN TEN PERCENT.—This paragraph
15 shall not apply in any billing cycle in which
16 the account agreement requires a min-
17 imum payment of not less than 10 percent
18 of the outstanding balance.

19 “(ii) NO FINANCE CHARGES.—This
20 paragraph shall not apply in any billing
21 cycle in which finance charges are not im-
22 posed.”.

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