

104TH CONGRESS
1ST SESSION

H. R. 1380

AN ACT

To provide a moratorium on certain class action lawsuits
relating to the Truth in Lending Act.

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 “Truth in Lending Class
5 Action Relief Act of 1995”.

6 **SEC. 2. MORATORIUM.**

7 Section 130 of the Truth in Lending Act (15 U.S.C.
8 1640) is amended by adding at the end the following new
9 subsection:

1 “(i) CLASS ACTION MORATORIUM.—

2 “(1) IN GENERAL.—During the period begin-
3 ning on the date of the enactment of the Truth in
4 Lending Class Action Relief Act of 1995 and ending
5 on October 1, 1995, no court may enter any order
6 certifying any class in any action under this title—

7 “(A) which is brought in connection with
8 any credit transaction not under an open end
9 credit plan which is secured by a first lien on
10 real property or a dwelling and constitutes a re-
11 financing or consolidation of an existing exten-
12 sion of credit; and

13 “(B) which is based on the alleged failure
14 of a creditor—

15 “(i) to include a charge actually in-
16 curred (in connection with the transaction)
17 in the finance charge disclosed pursuant to
18 section 128;

19 “(ii) to properly make any other dis-
20 closure required under section 128 as a re-
21 sult of the failure described in clause (i);
22 or

23 “(iii) to provide proper notice of re-
24 scission rights under section 125(a) due to
25 the selection by the creditor of the incor-

1 rect form from among the model forms
2 prescribed by the Board or from among
3 forms based on such model forms.

4 “(2) EXCEPTIONS FOR CERTAIN ALLEGED VIO-
5 LATIONS.—Paragraph (1) shall not apply with re-
6 spect to any action—

7 “(A) described in clause (i) or (ii) of para-
8 graph (1)(B), if the amount disclosed as the fi-
9 nance charge results in an annual percentage
10 rate that exceeds the tolerance provided in sec-
11 tion 107(c); or

12 “(B) described in paragraph (1)(B)(iii),
13 if—

14 “(i) no notice relating to rescission
15 rights under section 125(a) was provided
16 in any form; or

17 “(ii) proper notice was not provided
18 for any reason other than the reason de-
19 scribed in such paragraph.

Passed the House of Representatives April 4, 1995.

Attest:

Clerk.

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