

One Hundred Fourth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Wednesday,
the fourth day of January, one thousand nine hundred and ninety-five*

An Act

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

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Truth in Lending Class Action
Relief Act of 1995".

SEC. 2. MORATORIUM.

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

"(i) CLASS ACTION MORATORIUM.—

"(1) IN GENERAL.—During the period beginning on the date
of the enactment of the Truth in Lending Class Action Relief
Act of 1995 and ending on October 1, 1995, no court may
enter any order certifying any class in any action under this
title—

"(A) which is brought in connection with any credit
transaction not under an open end credit plan which is
secured by a first lien on real property or a dwelling and
constitutes a refinancing or consolidation of an existing
extension of credit; and

"(B) which is based on the alleged failure of a creditor—

"(i) to include a charge actually incurred (in
connection with the transaction) in the finance charge
disclosed pursuant to section 128;

"(ii) to properly make any other disclosure required
under section 128 as a result of the failure described
in clause (i); or

"(iii) to provide proper notice of rescission rights
under section 125(a) due to the selection by the creditor
of the incorrect form from among the model forms
prescribed by the Board or from among forms based
on such model forms.

"(2) EXCEPTIONS FOR CERTAIN ALLEGED VIOLATIONS.—Para-
graph (1) shall not apply with respect to any action—

"(A) described in clause (i) or (ii) of paragraph (1)(B),
if the amount disclosed as the finance charge results in
an annual percentage rate that exceeds the tolerance pro-
vided in section 107(c); or

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

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

“(ii) proper notice was not provided for any reason other than the reason described in such paragraph.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*