

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1380

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IN THE SENATE OF THE UNITED STATES

APRIL 5, 1995

Received

APRIL 24, 1995

Read the first time

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## 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:

ROBIN H. CARLE,

*Clerk.*