

104TH CONGRESS  
2D SESSION

# H. R. 4320

To amend the Truth in Lending Act to require a credit card issuer to disclose only 1 annual percentage rate of interest in any preapproved application or solicitation to open a credit card account under an open end consumer credit plan, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 1996

Mr. SCHUMER introduced the following bill; which was referred to the  
Committee on Banking and Financial Services

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## A BILL

To amend the Truth in Lending Act to require a credit card issuer to disclose only 1 annual percentage rate of interest in any preapproved application or solicitation to open a credit card account under an open end consumer credit plan, 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 “Truth in Credit Card  
5 Offers Act”.

1 **SEC. 2. TRUTH IN CREDIT CARD OFFERS.**

2 (a) DISCLOSURE OF ACTUAL APPLICABLE ANNUAL  
3 PERCENTAGE RATE.—Section 127(c) of the Truth in  
4 Lending Act (15 U.S.C. 1637(c)) is amended—

5 (1) by redesignating paragraph (5) as para-  
6 graph (6); and

7 (2) by inserting after paragraph (4) the follow-  
8 ing new paragraph:

9 “(5) PREAPPROVED CREDIT CARD SOLICITA-  
10 TIONS.—If any application, solicitation, or offer to  
11 open a credit card account under an open end  
12 consumer credit plan is designated or described as  
13 ‘preapproved’ or contains similar terms which would  
14 lead a reasonable person to conclude that the con-  
15 sumer’s acceptance of the terms of the account will  
16 result in the issuance of a credit card, only 1 annual  
17 percentage rate of interest may be disclosed in such  
18 application or solicitation as the annual percentage  
19 rate applicable to such account at the time the ac-  
20 count is opened.”.

21 (b) CONSPICUOUS DISCLOSURE OF ANNUAL PER-  
22 CENTAGE RATE.—Section 122(c)(2) of the Truth in Lend-  
23 ing Act (15 U.S.C. 1632(c)) is amended by adding at the  
24 end the following new subparagraph:

25 “(D) CONSPICUOUS DISCLOSURE OF AN-  
26 NUAL PERCENTAGE RATE.—The typeface used

1 to disclose the annual percentage rate shall be  
2 twice as high as the typeface used for any other  
3 item in the table.”.

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