

107TH CONGRESS
1ST SESSION

H. R. 3175

To prohibit creditors from imposing late fees, increasing interest rates, or submitting adverse credit information with regard to the account of a consumer whose mail service has been disrupted due to a biological, chemical, or radiological attack, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 29, 2001

Mr. SMITH of New Jersey introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To prohibit creditors from imposing late fees, increasing interest rates, or submitting adverse credit information with regard to the account of a consumer whose mail service has been disrupted due to a biological, chemical, or radiological attack, 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 “Late Fee Emergency
5 Relief Act of 2001”.

1 **SEC. 2. TRUTH IN LENDING ACT AMENDMENTS.**

2 (a) IN GENERAL.—Chapter 2 of the Truth in Lend-
3 ing Act (15 U.S.C. 1631 et seq.) is amended by inserting
4 after section 129 the following new section:

5 **“§ 129A. Requirements in the case of a biological,**
6 **chemical, or radiological attack-related**
7 **mail disruption**

8 “(a) IN GENERAL.—In the case of any consumer
9 whose principal residence is located in a postal zip code
10 for which a designation is in effect under subsection (b),
11 any obligation of such consumer on a consumer credit
12 transaction shall be subject to the following limitations
13 during the effective period of such designation:

14 “(1) If any late fee may otherwise be imposed
15 by any creditor of the consumer during such effec-
16 tive period due to nonreceipt by the creditor of a
17 payment before the date by which or the end of the
18 period within which, a payment by the consumer is
19 required to be made, such late fee shall be waived
20 unless payment is not received by the date or the
21 end of the period determined in accordance with
22 paragraph (4).

23 “(2) No increase may be made in the annual
24 percentage rate applicable to any outstanding bal-
25 ance with respect to such credit transaction, other

1 than an increase in the annual percentage rate due
2 to a change in an index or rate of interest—

3 “(A) on which such annual percentage rate
4 is based;

5 “(B) which is publicly available; and

6 “(C) which is not under the control of the
7 creditor.

8 “(3) No payment information that is adverse to
9 the interest of the consumer or would adversely af-
10 fect the consumer’s credit rating or credit standing
11 may be submitted by a creditor to a consumer re-
12 porting agency.

13 “(4) If the date by which or the end of the pe-
14 riod within which, a payment must be made in con-
15 nection with the consumer credit transaction under
16 the terms of the agreement falls within the effective
17 period of the designation, such date or period shall
18 be extended for an additional 30 days.

19 “(b) DESIGNATION AS A BIOLOGICAL, CHEMICAL, OR
20 RADIOLOGICAL ATTACK-RELATED MAIL DISRUPTION
21 AREA.—

22 “(1) DESIGNATION REQUIRED.—If the collec-
23 tion, transmission, or distribution of any mail by the
24 United States Postal Service is disrupted due, in
25 whole or in part, to a biological, chemical, or radio-

1 logical attack, the Postmaster General shall prompt-
2 ly designate the postal zip code in which such dis-
3 ruption occurs for purposes of subsection (a) effec-
4 tive for a 30-day period beginning on the date the
5 disruption first occurred.

6 “(2) EXTENSION OF PERIOD.—If the Post-
7 master General determines that mail service in any
8 postal zip code designated under paragraph (1) has
9 not been fully restored at least 7 days before the end
10 of the period referred to in such paragraph, such
11 designation shall continue in effect until the end of
12 the 7-day period beginning on the date the Post-
13 master General determines that such mail service
14 has been fully restored.

15 “(3) PUBLICATION OF DESIGNATIONS.—Before
16 the end of the 30-day period beginning on the date
17 of the enactment of the Late Fee Emergency Relief
18 Act of 2001 and each 30 days thereafter, the Post-
19 master General shall—

20 “(A) compile a list of all the postal zip
21 codes for which a designation is in effect under
22 paragraph (1) as of the date of publication and
23 the date each such designation became effective;

24 “(B) immediately transmit such list to the
25 Board of Governors of the Federal Reserve Sys-

1 tem, the Federal Trade Commission, and each
2 other agency referred to in section 108(a); and
3 “(C) publish such list in the Federal Reg-
4 ister.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 for chapter 2 of the Truth in Lending Act is amended
7 by inserting after the item relating to section 129 the fol-
8 lowing new item:

“129A. Requirements in the case of a biological, chemical, or radiological at-
tack-related mail disruption.”.

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