

107TH CONGRESS
1ST SESSION

H. R. 3217

To allow consumers a temporary 2-week grace period for payment of bills due to the extraordinary circumstances resulting from the disruptions and general uncertainty surrounding United States mail, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 1, 2001

Mr. FORD introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To allow consumers a temporary 2-week grace period for payment of bills due to the extraordinary circumstances resulting from the disruptions and general uncertainty surrounding United States mail, 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 Relief Act”.

1 **SEC. 2. TEMPORARY APPLICATION OF 2-WEEK GRACE PE-**
2 **RIOD FOR FINANCIAL SERVICES CUSTOMERS.**

3 (a) IN GENERAL.—During the 6-month period begin-
4 ning on the date of the enactment of this Act, no financial
5 service business may—

6 (1) impose any late fee or additional financing
7 fee on any consumer for the failure of the consumer
8 to make any payment by the due date of such pay-
9 ment;

10 (2) provide any information with respect to
11 such payment that is adverse to the interest of the
12 consumer or would adversely affect the consumer's
13 credit rating or credit standing to a consumer re-
14 porting agency; or

15 (3) take any other action that is adverse to the
16 interests of the consumer as a consequence of such
17 failure,

18 unless the payment is not received by the end of the 2-
19 week period beginning on such due date.

20 (b) ENFORCEMENT.—

21 (1) IN GENERAL.—The requirements of this
22 section, including any regulations prescribed under
23 subsection (c), shall be enforced under sections 108,
24 112, and 130 of the Truth in Lending Act and any
25 requirement of this section, or any such regulation,
26 shall be treated as a requirement of that Act.

1 (2) APPLICATION.—Section 130 of the Truth in
2 Lending Act shall be applied for purposes of this
3 section by substituting the term “financial services
4 business” for the term “creditor” wherever such
5 term appears in such section 130.

6 (c) REGULATIONS.—The Board of Governors of the
7 Federal Reserve System may prescribe such regulations
8 as the Board considers appropriate to carry out the re-
9 quirements of this Act, including further definition of
10 terms.

11 (d) DEFINITIONS.—For purposes of this section, the
12 following definitions shall apply:

13 (1) CONSUMER.—The term “consumer” means
14 an individual who engages in a transaction with a fi-
15 nancial services business primarily for personal, fam-
16 ily, or household purposes.

17 (2) DUE DATE.—The term “due date” means
18 the later of—

19 (A) the date by which a payment is due;
20 or

21 (B) the date by which a late fee would be
22 imposed, but for this subsection, for the failure
23 to make such payment.

24 (3) FINANCIAL ACTIVITIES.—

1 (A) IN GENERAL.—The term “financial
2 activities”—

3 (i) means banking activities, securities
4 activities, insurance activities, or commod-
5 ities activities; and

6 (ii) includes all activities that are fi-
7 nancial in nature or are incidental to a fi-
8 nancial activity (as defined under section
9 4(k) of the Bank Holding Company Act of
10 1956).

11 (B) RULE OF CONSTRUCTION.—Subpara-
12 graph (A) shall not be construed as creating
13 any inference, including any negative inference,
14 concerning the types or extent of activities that
15 are appropriately recognized as activities that
16 are financial in nature, or are incidental to a fi-
17 nancial activity, for purposes of section 4 of the
18 Bank Holding Company Act of 1956.

19 (4) FINANCIAL SERVICES BUSINESS.—The term
20 “financial services business”—

21 (A) means any person engaged in the busi-
22 ness of conducting financial activities; and

23 (B) includes any creditor (as defined in
24 section 103 of the Truth in Lending Act).

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