

108TH CONGRESS  
1ST SESSION

# S. 904

To amend the Federal Deposit Insurance Act to clarify the scope of provisions relating to applicable rates of interest and other charge limitations.

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IN THE SENATE OF THE UNITED STATES

APRIL 11, 2003

Mrs. LINCOLN (for herself and Mr. PRYOR) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Federal Deposit Insurance Act to clarify the scope of provisions relating to applicable rates of interest and other charge limitations.

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. CLARIFICATION OF SCOPE OF APPLICABLE**  
4 **RATE PROVISION.**

5 Section 44(f) of the Federal Deposit Insurance Act  
6 (12 U.S.C. 1831u(f)) is amended by adding at the end  
7 the following new paragraphs:

8 “(3) OTHER LENDERS.—In the case of any  
9 other lender doing business in the State described in

1 paragraph (1), the maximum interest rate or  
2 amount of interest, discount points, finance charges,  
3 or other similar charges that may be charged, taken,  
4 received, or reserved from time to time in any loan,  
5 discount, or credit sale made, or upon any note, bill  
6 of exchange, financing transaction, or other evidence  
7 of debt issued to or acquired by any other lender  
8 shall be equal to not more than the greater of the  
9 rates described in subparagraph (A) or (B) of para-  
10 graph (1).

11 “(4) OTHER LENDER DEFINED.—For purposes  
12 of paragraph (3), the term ‘other lender’ means any  
13 person engaged in the business of selling or financ-  
14 ing the sale of personal property (and any services  
15 incidental to the sale of personal property) in such  
16 State, except that, with regard to any person or en-  
17 tity described in such paragraph, such term does not  
18 include—

19 “(A) an insured depository institution; or

20 “(B) any person or entity engaged in the  
21 business of providing a short-term cash advance  
22 to any consumer in exchange for—

23 “(i) a consumer’s personal check or  
24 share draft, in the amount of the advance  
25 plus a fee, where presentment or negotia-

1                   tion of such check or share draft is de-  
2                   ferred by agreement of the parties until a  
3                   designated future date; or

4                   “(ii) a consumer authorization to  
5                   debit the consumer’s transaction account,  
6                   in the amount of the advance plus a fee,  
7                   where such account will be debited on or  
8                   after a designated future date.”.

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