

109TH CONGRESS  
1ST SESSION

# H. R. 1619

To amend the Truth in Lending Act to protect consumers from usury and unreasonable fees, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2005

Mr. SANDERS (for himself, Mr. WEINER, Mr. OWENS, Ms. JACKSON-LEE of Texas, Mr. CONYERS, Mr. KUCINICH, Mr. GEORGE MILLER of California, Ms. LEE, Mr. EVANS, Mr. JACKSON of Illinois, Mr. GRIJALVA, Ms. KILPATRICK of Michigan, Ms. WOOLSEY, Mr. TIERNEY, Mr. STARK, Mr. CUMMINGS, Ms. SCHAKOWSKY, Mr. MCGOVERN, and Mr. LANTOS) introduced the following bill; which was referred to the Committee on Financial Services

---

## A BILL

To amend the Truth in Lending Act to protect consumers from usury and unreasonable fees, 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 “Loan Shark Prevention  
5 Act”.

1 **SEC. 2. NATIONAL CONSUMER CREDIT USURY RATE.**

2 Section 107 of the Truth in Lending Act (15 U.S.C.  
3 1606) is amended by adding at the end thereof the fol-  
4 lowing new subsection:

5 “(f) NATIONAL CONSUMER CREDIT USURY RATE.—  
6 The annual percentage rate applicable to any extension  
7 of credit may not exceed by more than 8 percentage points  
8 the rate established under section 6621(a)(2) of the Inter-  
9 nal Revenue Code of 1986, as determined by the Board.”.

10 **SEC. 3. CAP ON FEES CHARGED BY FINANCIAL INSTITU-**  
11 **TIONS.**

12 (a) IN GENERAL.—Chapter 1 of the Truth in Lend-  
13 ing Act (15 U.S.C. 1601 et seq.) is amended by adding  
14 at the end the following new section:

15 **“§ 115. Cap on fees**

16 “The amount of any fee or charge that a creditor may  
17 impose, under the terms of a credit transaction, may not  
18 exceed \$15.”.

19 (b) CLERICAL AMENDMENT.—The table of sections  
20 for chapter 1 of the Truth in Lending Act is amended  
21 by inserting after the item relating to section 114 the fol-  
22 lowing new item:

“115. Cap on fees.”.

1 **SEC. 4. LIMITATION ON USE OF CONSUMER REPORTS.**

2 (a) IN GENERAL.—Subsection (d) of section 604 of  
3 the Fair Credit Reporting Act (15 U.S.C. 1681b(d)) is  
4 amended to read as follows:

5 “(d) LIMITATION ON USE OF CONSUMER REPORT.—

6 “(1) IN GENERAL.—No credit card issuer may  
7 use any negative information contained in a con-  
8 sumer report to increase any annual percentage rate  
9 applicable to a credit card account, or to remove or  
10 increase any introductory annual percentage rate of  
11 interest applicable to such account, for reasons other  
12 than actions or omissions of the card holder that are  
13 directly related to such account.

14 “(2) NOTICE TO CONSUMER.—The limitation  
15 under paragraph (1) on the use by a credit card  
16 issuer of information in a consumer report shall be  
17 clearly and conspicuously described to the consumer  
18 by the credit card issuer in any disclosure or state-  
19 ment required to be made to the consumer under  
20 this title or any other title of this Act.”.

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
22 Section 604(a)(3)(F)(ii) of the Fair Credit Reporting Act  
23 (15 U.S.C. 1681b(a)(3)(F)(ii)) is amended by inserting  
24 “subject to subsection (d)” before “to review”.

○