

111TH CONGRESS
1ST SESSION

H. R. 3977

To amend the Truth in Lending Act to establish limits on certain fees with regard to credit card accounts under open-end consumer credit plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 29, 2009

Ms. SUTTON (for herself, Mr. GRIJALVA, Ms. CORRINE BROWN of Florida, Ms. KAPTUR, Mr. HARE, Ms. HIRONO, Mr. STUPAK, Mr. HASTINGS of Florida, Mr. SIRES, Mr. COURTNEY, and Ms. MARKEY of Colorado) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to establish limits on certain fees with regard to credit card accounts under open-end consumer credit plans, 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 “Credit Card Fee Limi-
5 tation and Accountability Act”.

6 **SEC. 2. LIMITATIONS ESTABLISHED.**

7 (a) IN GENERAL.—Section 127 of the Truth in Lend-
8 ing Act (U.S.C. 1637) is amended by inserting after sub-

1 section (r) (as added by the Credit CARD Act of 2009)
2 the following new subsection:

3 “(s) LIMITATIONS ON FEES AND OTHER ACTIONS.—

4 “(1) PROHIBITION ON CERTAIN FEES.—A cred-
5 itor may not impose any of the following on any
6 credit card account under an open-end consumer
7 credit plan:

8 “(A) Any fee directly or indirectly related
9 to the failure of the consumer to use the credit
10 card to obtain an extension of credit during any
11 period.

12 “(B) Any fee directly or indirectly related
13 to the failure of the consumer to carry an out-
14 standing balance from any billing cycle to an-
15 other.

16 “(C) Any fee directly or indirectly related
17 to the failure of the consumer to obtain a min-
18 imum amount of credit under such account dur-
19 ing any specified period.

20 “(2) NO-EFFECT CANCELLATION OF ACCOUNT
21 UPON INTRODUCTION OF ANNUAL FEE.—

22 “(A) IN GENERAL.—If, in the case of a
23 credit card account under an open-end con-
24 sumer credit plan which did not require the
25 payment of an annual fee under the terms of

1 such plan at the time the account was first
2 opened, a creditor imposes an annual fee at any
3 time after such account is opened, the consumer
4 may—

5 “(i) cancel such account within 45
6 days of receiving notice of such fee imposi-
7 tion; and

8 “(ii) pay any outstanding balance on
9 the account at the time of cancellation in
10 accordance with the terms in effect at the
11 time of such cancellation.

12 “(B) NO ADVERSE EFFECTS.—No creditor
13 may take any action with respect to any con-
14 sumer who cancels a credit card account in ac-
15 cordance with subparagraph (A), as a direct or
16 indirect result of such cancellation, which would
17 have any adverse effect on such consumer and
18 such consumer’s ability to obtain credit under a
19 credit card account under an open-end con-
20 sumer credit plan.

21 “(3) REASONABLE ANNUAL FEES.—

22 “(A) IN GENERAL.—The amount of any
23 annual fee that a card issuer may impose with
24 respect to a credit card account under an open-
25 end consumer credit plan, shall be reasonable.

1 “(B) RULEMAKING REQUIRED.—The
2 Board, in consultation with the Comptroller of
3 the Currency, the Board of Directors of the
4 Federal Deposit Insurance Corporation, the Di-
5 rector of the Office of Thrift Supervision, and
6 the National Credit Union Administration
7 Board, shall issue final rules not later than 6
8 months after the date of enactment of this sec-
9 tion, to establish standards for assessing wheth-
10 er the amount of any annual fee is reasonable.

11 “(C) CONSIDERATIONS.—In issuing rules
12 required by this section, the Board shall con-
13 sider—

14 “(i) the purported reason the creditor
15 is instituting an annual fee;

16 “(ii) if the credit card account had an
17 annual fee at the opening of the account;
18 and

19 “(iii) such other factors as the Board
20 may deem necessary or appropriate.”.

21 (b) LIMITATION ON ADVERSE EFFECTS OF CAN-
22 CELLATION ON CREDIT SCORE.—Section 609 of the Fair
23 Credit Reporting Act (15 U.S.C. 1681g) is amended by
24 adding at the end the following new subsection:

1 “(h) LIMITATION ON ADVERSE EFFECTS OF CAN-
2 CELLATION ON CREDIT SCORE.—No consumer reporting
3 agency or other person who develops a credit score (as
4 defined in subsection (f)(2)) for any consumer may take
5 any action with respect to, or make any determination
6 based on, the cancellation by the consumer of a credit card
7 account under an open-end consumer credit plan in ac-
8 cordance with section 127(s)(2) which would result in the
9 development or distribution of a credit score for such con-
10 sumer which is lower than a credit score that would result
11 for such consumer without taking into account such can-
12 cellation.”.

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