Hirono	McMahon	Sanchez, Loretta
Hodes	McNerney	Sarbanes
Holden	Meek (FL)	Schakowsky
Holt	Meeks (NY)	Schauer
Honda	Melancon	Schiff
Hoyer	Michaud	Schrader
Inslee	Miller (NC)	Schwartz
Israel	Miller, George	Scott (GA)
Jackson (IL)	Minnick	Scott (VA)
Jackson-Lee (TX)	Mitchell	Serrano
	Mollohan	Sestak
Johnson (GA)	Moore (KS)	Shea-Porter
Johnson, E. B.	Moore (WI)	Sherman
Kagen	Moran (VA)	Shuler
Kanjorski	Murphy (CT)	Sires
Kaptur	Murphy (NY)	Skelton
Kennedy	Murphy, Patrick	Slaughter
Kildee	Murtha	Smith (WA)
Kilpatrick (MI)	Nadler (NY)	Snyder
Kilroy	Napolitano	Space
Kind	Neal (MA)	Speier
Kirkpatrick (AZ)	Nye	Spratt
Kissell	Oberstar	Stupak
Klein (FL)	Obey	Sutton
Kosmas	Olver	Tanner
Kratovil	Ortiz	Tauscher
Kucinich	Pallone	Taylor
Langevin	Pascrell	Teague
Larsen (WA)	Pastor (AZ)	Thompson (CA)
Larson (CT)	Payne	Thompson (MS)
Lee (CA)	Perlmutter	Tierney
Levin	Perriello	Titus
Lewis (GA)	Peters	Tonko
Lipinski	Peterson	Towns
Loebsack	Pingree (ME)	Tsongas
Lofgren, Zoe	Polis (CO)	Van Hollen
Lowey	Pomeroy	Velázquez
Luján	Price (NC)	Visclosky
Lynch	Quigley	Walz
Maffei	Rahall	Wasserman Schultz
Maloney	Rangel	
Markey (CO)	Reyes	Waters
Markey (MA)	Richardson	Watson
Marshall	Rodriguez	Watt
Massa	Ross	Waxman
Matheson	Rothman (NJ)	Weiner
Matsui	Roybal-Allard	Welch
McCarthy (NY)	Rush	Wexler
McCollum	Ryan (OH)	Wilson (OH)
McDermott	Salazar	Woolsey
McGovern	Sánchez, Linda T.	Wu
McIntyre		Yarmuth

NAYS—175

Aderholt	Dent	Lance
Akin	Diaz-Balart, L.	Latham
Alexander	Diaz-Balart, M.	LaTourette
Austria	Dreier	Latta
Bachmann	Duncan	Lee (NY)
Bachus	Ehlers	Lewis (CA)
Barrett (SC)	Emerson	Linder
Bartlett	Fallin	LoBiondo
Barton (TX)	Flake	Lucas
Biggert	Fleming	Luetkemeyer
Bilbray	Forbes	Lummis
Bilirakis	Fortenberry	Lungren, Daniel E.
Bishop (UT)	Foxx	
Blackburn	Franks (AZ)	Mack
Blunt	Frelinghuysen	Manzullo
Boehner	Gallegly	Marchant
Bonner	Garrett (NJ)	McCarthy (CA)
Bono Mack	Gerlach	McCaul
Boozman	Gingrey (GA)	McClintock
Boustany	Gohmert	McCotter
Broun (GA)	Goodlatte	McHenry
Brown (SC)	Graves	McHugh
Brown-Waite, Ginny	Guthrie	McKeon
	Hall (TX)	Mica
Buchanan	Harper	Miller (FL)
Burton (IN)	Hastings (WA)	Miller (MI)
Buyer	Heller	Miller, Gary
Calvert	Hensarling	Moran (KS)
Camp	Herger	Murphy, Tim
Campbell	Hill	Myrick
Cantor	Hoekstra	Neugebauer
Cao	Hunter	Nunes
Capito	Inglis	Olson
Carter	Issa	Paul
Cassidy	Jenkins	Paulsen
Castle	Johnson (IL)	Pence
Chaffetz	Johnson, Sam	Petri
Coble	Jones	Pitts
Coffman (CO)	Jordan (OH)	Platts
Cole	King (IA)	Poe (TX)
Conaway	King (NY)	Posey
Crenshaw	Kingston	Price (GA)
Culberson	Kirk	Putnam
Davis (KY)	Kline (MN)	Radanovich
Deal (GA)	Lamborn	Rehberg
Reichert	Sensenbrenner	Thornberry
Roe (TN)	Sessions	Tiahrt
Rogers (AL)	Shadegg	Tiberi
Rogers (KY)	Shimkus	Turner
Rogers (MI)	Shuster	Upton
Rohrabacher	Simpson	Walden
Rooney	Smith (NE)	Wamp
Ros-Lehtinen	Smith (NJ)	Westmoreland
Roskam	Smith (TX)	Whitfield
Royce	Souder	Wilson (SC)
Ryan (WI)	Stearns	Wittman
Scalise	Sullivan	Wolf
Schmidt	Terry	Young (AK)
Schock	Thompson (PA)	Young (FL)

NOT VOTING—9

Berry	Granger	Ruppersberger
Brady (TX)	Hastings (FL)	Stark
Burgess	McMorris Rodgers	
Dingell		

□ 1139

Mr. POSEY changed his vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2072

Mrs. EMERSON. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 2072.

The SPEAKER pro tempore (Mr. SCHIFF). Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

GENERAL LEAVE

Mr. GUTIERREZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 627 and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CREDIT CARDHOLDERS' BILL OF RIGHTS ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 379 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 627.

□ 1140

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 627) to amend the Truth in Lending Act to establish fair and transparent practices relating to the extension of credit under an open end consumer credit plan, and for other purposes, with Mrs. TAUSCHER (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole House rose on Wednesday, April 29, 2009, all time for general debate, pursuant to the order of the House of April 28, 2009, had expired.

Pursuant to House Resolution 379, no further general debate is in order. The amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment is as follows:

H.R. 627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Credit Cardholders' Bill of Rights Act of 2009''.

SEC. 2. CREDIT CARDS ON TERMS CONSUMERS CAN REPAY.

(a) RETROACTIVE RATE INCREASES AND UNIVERSAL DEFAULT LIMITED.—Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by inserting after section 127A the following new section:

''§ 127B. Additional requirements for credit card accounts under an open end consumer credit plan

''(a) RETROACTIVE RATE INCREASES AND UNIVERSAL DEFAULT LIMITED.—

''(1) IN GENERAL.—Except as provided in subsection (b), no creditor may increase any annual percentage rate of interest applicable to the existing balance on a credit card account of the consumer under an open end consumer credit plan.

''(2) EXISTING BALANCE DEFINED.—For purposes of this subsection and subsections (b) and (c), the term 'existing balance' means the amount owed on a consumer credit card account as of the end of the 14th day after the creditor provides notice of an increase in the annual percentage rate in accordance with subsection (c).

''(3) TREATMENT OF EXISTING BALANCES FOLLOWING RATE INCREASE.—If a creditor increases any annual percentage rate of interest applicable to the credit card account of a consumer under an open end consumer credit plan and there is an existing balance in the account to which such increase may not apply, the creditor shall allow the consumer to repay the existing balance using a method provided by the creditor which is at least as beneficial to the consumer as 1 of the following methods:

''(A) An amortization period for the existing balance of at least 5 years starting from the date on which the increased annual percentage rate went into effect.

''(B) The percentage of the existing balance that was included in the required minimum periodic payment before the rate increase cannot be more than doubled.

''(4) LIMITATION ON CERTAIN FEES.—If—

''(A) a creditor increases any annual percentage rate of interest applicable on a credit card account of the consumer under an open end consumer credit plan; and

''(B) the creditor is prohibited by this section from applying the increased rate to an existing balance,

the creditor may not assess any fee or charge based solely on the existing balance.''.

(b) EXCEPTIONS TO THE AMENDMENT MADE BY SUBSECTION (a).—Section 127B of the Truth in Lending Act is amended by inserting after subsection (a) (as added by subsection (a)) the following new subsection:

''(b) EXCEPTIONS.—

''(1) IN GENERAL.—A creditor may increase any annual percentage rate of interest applicable to the existing balance on a credit card account of the consumer under an open end consumer credit plan only under the following circumstances:

''(A) CHANGE IN INDEX.—The increase is due solely to the operation of an index that is not

under the creditor's control and is available to the general public.

''(B) EXPIRATION OF PROMOTIONAL RATE.—The increase is due solely to the expiration of a promotional rate.

''(C) FAILURE TO COMPLY WITH WORKOUT PLAN.—The increase is due solely to the fact the consumer failed to comply with a negotiated workout plan with the creditor.

''(D) PAYMENT NOT RECEIVED DURING 30-DAY GRACE PERIOD AFTER DUE DATE.—The increase is due solely to the fact that any consumer's minimum payment has not been received within 30 days after the due date for such minimum payment.

''(2) LIMITATION ON INCREASES DUE TO FAILURE TO COMPLY WITH WORKOUT PLAN.—Notwithstanding paragraph (1)(C), the annual percentage rate in effect with respect to each category of transactions for a credit card account under an open end consumer credit plan after the increase permitted under such subsection due to the failure of a consumer to comply with a workout plan may not exceed the annual percentage applicable to such category of transactions on the day before the effective date of the workout plan.

''(3) STANDARDS REQUIRED.—The Board shall prescribe, by regulation, standards—

''(A) for entering into any workout plan applicable to any credit card account under an open end consumer credit plan; and

''(B) governing any such workout plan.''.

(c) ADVANCE NOTICE OF RATE INCREASES AND SIGNIFICANT CONTRACT CHANGES.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (b) (as added by subsection (b)) the following new subsections:

''(c) ADVANCE NOTICE OF RATE INCREASES.—

''(1) IN GENERAL.—In the case of any credit card account under an open end consumer credit plan, no increase in any annual percentage rate of interest (other than an increase described in subsection (b)(1)(A)) may take effect unless the creditor provides a written notice to the consumer at least 45 days before the increase takes effect which fully describes the changes in the annual percentage rate, in a complete and conspicuous manner, and the extent to which such increase would apply to an existing balance.

''(2) LIMITATION ON RATE INCREASE NOTICES WITHIN FIRST YEAR.—Except in the case of an increase described in subparagraph (B), (C), or (D) of subsection (b)(1), no written notice under paragraph (1) of an increase in any annual percentage rate of interest on any credit card account under an open end consumer credit plan (for which notice is required under such paragraph) shall be effective before the end of the 1-year period beginning when the account is opened.

''(d) ADVANCE NOTICE OF SIGNIFICANT CONTRACT CHANGES.—In the case of any credit card account under an open end consumer credit plan, no significant change to the contract (such as any fee) may take effect unless the creditor provides a written notice of at least 45 days before the change takes effect which fully describes the changes in the contract, in a complete and conspicuous manner.''.

(d) CLERICAL AMENDMENT.—The table of sections for chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by inserting after the item relating to section 127A the following new item:

''127B. Additional requirements for credit card accounts under an open end consumer credit plan.''.

SEC. 3. ADDITIONAL PROVISIONS REGARDING ACCOUNT FEATURES, TERMS, AND PRICING.

(a) DOUBLE CYCLE BILLING PROHIBITED.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (d) (as added by section 2(c)) the following new subsection:

''(e) DOUBLE CYCLE BILLING.—

''(1) IN GENERAL.—No finance charge may be imposed by a creditor with respect to any balance on a credit card account under an open end consumer credit plan that is based on balances for days in billing cycles preceding the most recent billing cycle as a result of the loss of any grace period.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply so as to prohibit a creditor from—

''(A) adjusting finance charges following the return of a payment for insufficient funds; or

''(B) adjusting finance charges following resolution of a billing error dispute.

''(3) GRACE PERIOD.—For purposes of this subsection, the term 'grace period' means, with respect to any credit card account under an open end consumer credit plan, the time period, if any, provided by the creditor within which any credit extended under such credit plan for purchases of goods or services may be repaid by the consumer without incurring a finance charge.''.

(b) LIMITATIONS RELATING TO ACCOUNT BALANCES ATTRIBUTABLE ONLY TO ACCRUED INTEREST.—Section 127B is amended by inserting after subsection (e) (as added by subsection (a)) the following new subsection:

''(f) LIMITATIONS RELATING TO ACCOUNT BALANCES ATTRIBUTABLE ONLY TO ACCRUED INTEREST.—

''(1) IN GENERAL.—If the outstanding balance on a credit card account under an open end consumer credit plan at the end of a billing period represents an amount attributable only to interest accrued during the preceding billing period on an outstanding balance that was fully repaid during the preceding billing period—

''(A) no fee may be imposed or collected in connection with such balance attributable only to interest before such end of the billing period; and

''(B) any failure to make timely repayments of the balance attributable only to interest before such end of the billing period shall not constitute a default on the account.

Such balance remains a legally binding debt obligation.

''(2) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed as affecting—

''(A) the consumer's obligation to pay any accrued interest on a credit card account under an open end consumer credit plan; or

''(B) the accrual of interest on the outstanding balance on any such account in accordance with the terms of the account and this title.''.

(c) ACCESS TO PAYOFF BALANCE INFORMATION.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (f) (as added by subsection (b)) the following new subsection:

''(g) PAYOFF BALANCE INFORMATION.—

''(1) IN GENERAL.—Each periodic statement provided by a creditor to a consumer with respect to a credit card account under an open end consumer credit plan shall contain the toll-free telephone number, Internet address, and website at which the consumer may request the payoff balance on the account.

''(2) SMALL ISSUERS.—Notwithstanding paragraph (1), in the case of any credit card issuer which issues fewer than 50,000 credit cards in conjunction with credit card accounts under open end consumer credit plans, each periodic statement provided by such a creditor to a consumer with respect to any such credit card account shall contain the toll-free telephone number, Internet address, or website at which the consumer may request the payoff balance on the account.''.

(d) CONSUMER RIGHT TO REJECT CARD BEFORE NOTICE IS PROVIDED OF OPEN ACCOUNT.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (g) (as added by subsection (c)) the following new subsection:

''(h) CONSUMER RIGHT TO REJECT CARD BEFORE NOTICE OF NEW ACCOUNT IS PROVIDED TO CONSUMER REPORTING AGENCY.—

''(1) IN GENERAL.—A creditor may not furnish any information to a consumer reporting agency (as defined in section 603) concerning the establishment of a newly opened credit card account under an open end consumer credit plan until the credit card has been used or activated by the consumer.

''(2) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed as prohibiting a creditor from furnishing information about any application for a credit card account under an open end consumer credit plan or any inquiry about any such account to a consumer reporting agency (as so defined).''.

(e) USE OF TERMS CLARIFIED.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (h) (as added by subsection (d)) the following new subsection:

''(i) USE OF TERMS.—The following requirements shall apply with respect to the terms of any credit card account under any open end consumer credit plan:

''(1) 'FIXED' RATE.—The term 'fixed', when appearing in conjunction with a reference to the annual percentage rate or interest rate applicable with respect to such account, may only be used to refer to an annual percentage rate or interest rate that will not change or vary for any reason over the period clearly and conspicuously specified in the terms of the account.

''(2) PRIME RATE.—The term 'prime rate', when appearing in any agreement or contract for any such account, may only be used to refer to the bank prime rate published in the Federal Reserve Statistical Release on selected interest rates (daily or weekly), and commonly referred to as the H.15 release (or any successor publication).

''(3) DUE DATE.—

''(A) IN GENERAL.—Each periodic statement for any such account shall contain a date by which the next periodic payment on the account must be made to avoid a late fee or be considered a late payment, and any payment received by 5 p.m., local time at the location specified by the creditor for the receipt of payment, on such date shall be treated as a timely payment for all purposes.

''(B) CERTAIN ELECTRONIC FUND TRANSFERS.—Any payment with respect to any such account made by a consumer online to the website of the credit card issuer or by telephone directly to the credit card issuer before 5 p.m., local time at the location specified by the creditor for the receipt of payment, on any business day shall be credited to the consumer's account that business day.

''(C) PRESUMPTION OF TIMELY PAYMENT.—Any evidence provided by a consumer in the form of a receipt from the United States Postal Service or other common carrier indicating that a payment on a credit card account was sent to the issuer not less than 7 days before the due date contained in the periodic statement under subparagraph (A) for such payment shall create a presumption that such payment was made by the due date, which may be rebutted by the creditor for fraud or dishonesty on the part of the consumer with respect to the mailing date.''.

(f) PAYMENT ALLOCATIONS.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (i) (as added by subsection (e)) the following new subsection:

''(j) PAYMENT ALLOCATIONS.—

''(1) IN GENERAL.—If 2 or more different annual percentage rates apply to different portions of an outstanding balance on a credit card account under an open end consumer credit plan, the amount of any periodic payment in excess of the required minimum payment shall be applied using 1 of the following methods:

''(A) HIGH-TO-LOW METHOD.—The excess amount is allocated first to the balance with the highest annual percentage rate and any remaining portion is allocated to any other balance in descending order, based on the applicable annual percentage rate each portion of such balance bears, from the highest such rate to the lowest.

''(B) PRO RATA METHOD.—The excess amount is allocated among each of the portions of such

balance which bear different rates of interest in the same proportion as each such portion of the outstanding balance bears to the total outstanding balance.

''(2) CLARIFICATION RELATING TO CERTAIN DEFERRED INTEREST ARRANGEMENTS.—A creditor may allocate the entire amount paid by the consumer in excess of the required minimum periodic payment to a balance on which interest is deferred during the 2 billing cycles immediately preceding the expiration of the period during which interest is deferred.

''(3) PROHIBITION ON RESTRICTED GRACE PERIODS UNDER CERTAIN CIRCUMSTANCES.—If, with respect to any credit card account under an open end consumer credit plan, a creditor offers a time period in which to repay credit extended without incurring finance charges to cardholders who pay the balance in full, the creditor may not deny a consumer who takes advantage of a promotional rate balance or deferred interest rate balance offer with respect to such an account any such time period for repaying credit without incurring finance charges.''.

(g) TIMELY PROVISION OF PERIODIC STATEMENTS.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (j) (as added by subsection (f)) the following new subsection:

''(k) TIMELY PROVISION OF PERIODIC STATEMENTS.—Each periodic statement with respect to a credit card account under an open end consumer credit plan shall be sent by the creditor to the consumer not less than 21 calendar days before the due date identified in such statement for the next payment on the outstanding balance on such account, and section 163(a) shall be applied with respect to any such account by substituting '21' for 'fourteen'.''.

(h) DUE DATES.—Section 127B of the Truth in Lending Act is amended by inserting after subsection (k) (as added by subsection (g)) the following new subsection:

''(l) DUE DATES.—If the date established by a creditor as the date on which a periodic payment on a credit card account under an open end consumer credit plan is due is a day on which mail is either not delivered to such creditor or is not accepted by the creditor for processing on such day, the creditor may not treat the receipt by the creditor of any such periodic payment by mail as of the next business day of the creditor as late for any purpose.''.

SEC. 4. CONSUMER CHOICE WITH RESPECT TO OVER-THE-LIMIT TRANSACTIONS.

Section 127B of the Truth in Lending Act is amended by inserting after subsection (l) (as added by section 3(h)) the following new subsections:

''(m) OPT-OUT OF CREDITOR AUTHORIZATION OF OVER-THE-LIMIT TRANSACTIONS IF FEES ARE IMPOSED.—

''(1) IN GENERAL.—In the case of any credit card account under an open end consumer credit plan under which an over-the-limit-fee may be imposed by the creditor for any extension of credit in excess of the amount of credit authorized to be extended under such account, the consumer may elect to prohibit the creditor, with respect to such account, from completing any transaction involving the extension of credit, with respect to such account, in excess of the amount of credit authorized by notifying the creditor of such election in accordance with paragraph (2).

''(2) NOTIFICATION BY CONSUMER.—A consumer shall notify a creditor under paragraph (1)—

''(A) through the notification system maintained by the creditor under paragraph (4); or

''(B) by submitting to the creditor a signed notice of election, by mail or electronic communication, on a form issued by the creditor for purposes of this subparagraph.

''(3) EFFECTIVENESS OF ELECTION.—An election by a consumer under paragraph (1) shall be effective beginning 3 business days after the creditor receives notice from the consumer in accordance with paragraph (2) and shall remain effective until the consumer revokes the election.

''(4) NOTIFICATION SYSTEM.—

''(A) IN GENERAL.—Each creditor that maintains credit card accounts under an open end consumer credit plan shall establish and maintain a notification system, including a toll-free telephone number, Internet address, and website, which permits any consumer whose credit card account is maintained by the creditor to notify the creditor of an election under this subsection in accordance with paragraph (2).

''(B) SMALL ISSUERS.—Notwithstanding subparagraph (A), any credit card issuer which issues fewer than 50,000 credit cards in conjunction with credit card accounts under open end consumer credit plans shall establish and maintain a notification system, which shall include a toll-free telephone number, Internet address, or website, which permits any consumer whose credit card account is maintained by the creditor to notify the creditor of an election under this subsection in accordance with paragraph (2).

''(5) ANNUAL NOTICE TO CONSUMERS OF AVAILABILITY OF ELECTION.—In the case of any credit card account under an open end consumer credit plan, the creditor shall include a notice, in clear and conspicuous language, of the availability of an election by the consumer under this paragraph as a means of avoiding over-the limit fees and a higher amount of indebtedness, and the method for providing such notice—

''(A) on the periodic statement required under section 127(b) with respect to such account at least once each calendar year; and

''(B) on any such periodic statement which includes a notice of the imposition of an over-the-limit fee during the period covered by the statement.

''(6) NO FEES IF CONSUMER HAS MADE AN ELECTION.—If a consumer has made an election under paragraph (1), no over-the-limit fee may be imposed on the account for any reason that has caused the outstanding balance in the account to exceed the credit limit.

''(7) REGULATIONS.—

''(A) IN GENERAL.—The Board shall issue regulations allowing for the completion of over-the-limit transactions that for operational reasons exceed the credit limit by a de minimis amount, even where the cardholder has made an election under paragraph (1).

''(B) SUBJECT TO NO FEE LIMITATION.—The regulations prescribed under subparagraph (A) shall not allow for the imposition of any fee or any rate increase based on the permitted over-the-limit transactions.

''(n) OVER-THE-LIMIT FEE RESTRICTIONS.—With respect to a credit card account under an open end consumer credit plan, an over-the-limit fee may be imposed only once during a billing cycle if, on the last day of such billing cycle, the credit limit on the account is exceeded, and an over-the-limit fee, with respect to such excess credit, may be imposed only once in each of the 2 subsequent billing cycles, unless the consumer has obtained an additional extension of credit in excess of such credit limit during any such subsequent cycle or the consumer reduces the outstanding balance below the credit limit as of the end of such billing cycle.

''(o) OVER-THE-LIMIT FEES PROHIBITED IN CONJUNCTION WITH CERTAIN CREDIT HOLDS.—Notwithstanding subsection (n), an over-the-limit fee may not be imposed if the credit limit was exceeded due to a hold unless the actual amount of the transaction for which the hold was placed would have resulted in the consumer exceeding the credit limit.''.

SEC. 5. STRENGTHEN CREDIT CARD INFORMATION COLLECTION.

Section 136(b) of the Truth in Lending Act (15 U.S.C. 1646(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''COLLECTION REQUIRED.—The Board shall'' and inserting ''COLLECTION REQUIRED.—

''(A) IN GENERAL.—The Board shall''.

(B) by adding at the end the following new subparagraph:

''(B) INFORMATION TO BE INCLUDED.—The information under subparagraph (A) shall include, for the relevant semiannual period, the following information with respect each creditor in connection with any consumer credit card account:

''(i) A list of each type of transaction or event during the semiannual period for which 1 or more creditors has imposed a separate interest rate upon a consumer credit card accountholder, including purchases, cash advances, and balance transfers.

''(ii) For each type of transaction or event identified under clause (i)—

''(I) each distinct interest rate charged by the card issuer to a consumer credit card accountholder during the semiannual period; and

''(II) the number of cardholders to whom each such interest rate was applied during the last calendar month of the semiannual period, and the total amount of interest charged to such accountholders at each such rate during such month.

''(iii) A list of each type of fee that 1 or more of the creditors has imposed upon a consumer credit card accountholder during the semiannual period, including any fee imposed for obtaining a cash advance, making a late payment, exceeding the credit limit on an account, making a balance transfer, or exchanging United States dollars for foreign currency.

''(iv) For each type of fee identified under clause (iii), the number of accountholders upon whom the fee was imposed during each calendar month of the semiannual period, and the total amount of fees imposed upon cardholders during such month.

''(v) The total number of consumer credit card accountholders that incurred any finance charge or any other fee during the semiannual period.

''(vi) The total number of consumer credit card accounts maintained by each creditor as of the end of the semiannual period.

''(vii) The total number and value of cash advances made during the semiannual period under a consumer credit card account.

''(viii) The total number and value of purchases involving or constituting consumer credit card transactions during the semiannual period.

''(ix) The total number and amount of repayments on outstanding balances on consumer credit card accounts in each month of the semiannual period.

''(x) The percentage of all consumer credit card accountholders (with respect to any creditor) who—

''(I) incurred a finance charge in each month of the semiannual period on any portion of an outstanding balance on which a finance charge had not previously been incurred; and

''(II) incurred any such finance charge at any time during the semiannual period.

''(xi) The total number and amount of balances accruing finance charges during the semiannual period.

''(xii) The total number and amount of the outstanding balances on consumer credit card accounts as of the end of such semiannual period.

''(xiii) Total credit limits in effect on consumer credit card accounts as of the end of such semiannual period and the amount by which such credit limits exceed the credit limits in effect as of the beginning of such period.

''(xiv) Any other information related to interest rates, fees, or other charges that the Board deems of interest.''; and

(2) by adding at the end the following new paragraph:

''(5) REPORT TO CONGRESS.—The Board shall, on an annual basis, transmit to Congress and make public a report containing estimates by the Board of the approximate, relative percentage of

income derived by the credit card operations of depository institutions from—

''(A) the imposition of interest rates on cardholders, including separate estimates for—

''(i) interest with an annual percentage rate of less than 25 percent; and

''(ii) interest with an annual percentage rate equal to or greater than 25 percent;

''(B) the imposition of fees on cardholders;

''(C) the imposition of fees on merchants; and

''(D) any other material source of income, while specifying the nature of that income.''.

SEC. 6. STANDARDS APPLICABLE TO INITIAL ISSUANCE OF SUBPRIME OR ''FEE HARVESTER'' CARDS.

Section 127B of the Truth in Lending Act is amended by inserting after subsection (o) (as added by section 4) the following new subsection:

''(p) STANDARDS APPLICABLE TO INITIAL ISSUANCE OF SUBPRIME OR 'FEE HARVESTER' CARDS.—

''(1) IN GENERAL.—In the case of any credit card account under an open end consumer credit plan the terms of which require the payment of any fee (other than any late fee, any over-the-limit fee, or any fee for a payment returned for insufficient funds) by the consumer in the first year the account is opened in an amount in excess of 25 percent of the total amount of credit authorized under the account when the account is opened, no payment of any fee (other than any late fee, any over-the-limit fee, or any fee for a payment returned for insufficient funds) may be made from the credit made available by the card.

''(2) RULE OF CONSTRUCTION.—No provision of this subsection may be construed as authorizing any imposition or payment of advance fees otherwise prohibited by any provision of law.''.

SEC. 7. EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following new paragraph:

''(8) EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.—

''(A) IN GENERAL.—No credit card may be knowingly issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 18, unless the consumer is emancipated under applicable State law.

''(B) RULE OF CONSTRUCTION.—For the purposes of determining the age of an applicant, the submission of a signed application by a consumer stating that the consumer is over 18 shall be considered sufficient proof of age.''.

SEC. 8. PROHIBIT FEES FOR PAYMENT ON CREDIT CARD ACCOUNTS BY ELECTRONIC FUND TRANSFERS.

(a) IN GENERAL.—Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following new subsection:

''(i) PAYMENTS BY EFT.—In the case of a credit card account under an open end consumer credit plan, a creditor may not impose a fee based on the manner in which payment on the account is made, including a fee for making any such payment by electronic fund transfer (as defined in section 903).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to all payments made after the date of the enactment of this Act and any fee imposed after such date in contravention of the amendment shall be promptly credited to the consumer's account.

SEC. 9. REPORT TO CONGRESS ON REDUCTIONS OF CONSUMER CREDIT CARD LIMITS BASED ON CERTAIN INFORMATION AS TO EXPERIENCE OR TRANSACTIONS OF THE CONSUMER.

(a) REPORT ON CREDITOR PRACTICES REQUIRED.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System, in consultation with the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, and the Federal Trade Commission, shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the extent to which, during the 3-year period ending on such date of enactment, creditors have reduced credit limits or raised interest rates applicable to credit card accounts under open end consumer credit plans based on—

(1) the geographical location where a credit transaction with the consumer takes place or the identity of the merchant involved in the transaction;

(2) the consumer's credit transactions, including the type of credit transaction, the type of items purchased in such transaction, the price of items purchased in such transaction, any change in the type or price of items purchased in such transactions, and other data pertaining to the consumer's use of such credit card account; and

(3) the identity of the mortgage creditor which extended or holds the mortgage loan secured by the consumer's primary residence.

(b) OTHER INFORMATION.—The report required under subsection (a) shall also include—

(1) the number and identity of creditors that have engaged in the practices described in subsection (a);

(2) the extent to which the practices described in subsection (a) have an adverse impact on minority or low-income consumers;

(3) any other relevant information regarding such practices; and

(4) recommendations to the Congress on regulatory or statutory changes that may be needed to restrict or prevent such practices.

SEC. 10. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (c) for the period described in such subsection, the amendments made by this Act shall apply to all credit card accounts under open end consumer credit plans after the earlier of—

(1) the end of the 12-month period beginning on the date of the enactment of this Act; or

(2) June 30, 2010.

(b) REGULATIONS.—Except as provided in subsection (c) for the period described in such subsection, the Board of Governors of the Federal Reserve System, in consultation with the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, and the Federal Trade Commission, shall prescribe regulations, in final form, implementing the amendments made by this Act before the earlier of—

(1) the end of the 5-month period beginning on the date of the enactment of this Act; or

(2) June 1, 2010.

(c) INTERIM EFFECTIVE PERIOD FOR ADVANCE NOTICES OF RATE INCREASES.—

(1) IN GENERAL.—During the period beginning 90 days after the date of the enactment of this Act and ending on the effective date of all the amendments under this Act as determined pursuant to subsection (a), no increase in any annual percentage rate of interest on any credit card account under an open end consumer credit plan (as such terms are defined in the Truth in Lending Act) may take effect unless the creditor provides a written notice to the consumer at least 45 days before the increase would otherwise take effect which fully describes the changes in the annual percentage rate, in a complete and conspicuous manner, and the extent to which such increase would apply to an existing balance.

(2) EXCEPTIONS.—A notice shall not be required under paragraph (1) for an increase in an annual percentage rate described in subparagraph (A), (B), or (C) of section 127B(b)(1) (as added by section 2).

(3) REGULATIONS.—The Board of Governors of the Federal Reserve System shall prescribe regulations implementing the amendment referred to in paragraph (1), for purposes of this subsection, before the end of the 60-day period beginning on the date of the enactment of this Act.

The Acting CHAIR. No amendment to the committee amendment is in order except those printed in House Report 111–92. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. GUTIERREZ

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in House Report 111–92.

Mr. GUTIERREZ. I have an amendment at the desk made in order under the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. GUTIERREZ:

At the end of section 3, insert the following new subsection:

(i) AVAILABILITY OF LEGITIMATE AND ACCREDITED CREDIT COUNSELING.—The Board of Governors of the Federal Reserve System shall suggest appropriate guidelines for creditors to follow with respect to credit card accounts under open end consumer credit plans to supply consumer cardholders with information regarding the availability of legitimate and accredited credit counseling services.

Strike section 8 of the bill and insert the following new sections (and redesignate succeeding sections accordingly):

SEC. 8. PROHIBIT FEES FOR PAYMENT ON CREDIT CARD ACCOUNTS BY TELEPHONE OR ELECTRONIC FUND TRANSFERS.

Section 164 of the Truth in Lending Act (15 U.S.C. 1666c) is amended—

(1) by striking ''Payments received'' and inserting ''(a) IN GENERAL.—Payments received''; and

(2) by adding at the end the following new subsection:

''(b) PAYMENT FEES.—

''(1) PROHIBITION ON FEE BASED ON MODE OF PAYMENT.—Except as provided in paragraph (2), in the case of a credit card account under an open end consumer credit plan, a creditor may not impose a fee on the obligor based on the particular manner in which the obligor makes a payment on such account.

''(2) EXCEPTION.—If the obligor requests to make an expedited payment on a credit card account under an open end consumer credit plan by telephone on the date that a payment is due, or the day immediately preceding such date, the creditor may assess a fee for crediting the payment to the obligor's account on or by such date.''.

SEC. 9. SOLICITATIONS REQUIRED TO INCLUDE WARNING ON ADVERSE EFFECTS OF EXCESSIVE CREDIT INQUIRIES.

Section 127(c)(1)(B) of the Truth in Lending Act (15 U.S.C. 1637(c)(1)(B)) is amended by adding at the end the following new clause:

''(iv) EXCESSIVE CREDIT INQUIRIES.—A warning that excessive credit inquiries, which occur in connection with credit applications and solicitations and under other circumstances, can have an adverse effect on a consumer credit score.''.

SEC. 10. READABILITY REQUIREMENT.

Section 122 of the Truth in Lending Act (U.S.C. 1632) is amended by adding at the end the following new subsection:

''(d) MINIMUM TYPE-SIZE AND FONT REQUIREMENT FOR CREDIT CARD APPLICATIONS AND DISCLOSURES.—All written information, provisions, and terms in or on any application, solicitation, contract, or agreement for any credit card account under an open end consumer credit plan, and all written information included in or on any disclosure required under this chapter with respect to any such account, shall appear—

''(1) in not less than 12-point type; and

''(2) in any font other than a font which the Board has designated, in regulations under this section, as a font that inhibits readability.''.

Insert at the end the following new section:

SEC. 13. DISCLOSURE REQUIREMENT FOR STORES ACCEPTING CREDIT CARD ACCOUNT APPLICATIONS.

(a) IN GENERAL.—Section 122 of the Truth in Lending Act (15 U.S.C. 1632) is amended by adding at the end the following:

''(d) SIGNS REQUIRED ON CERTAIN PREMISES WHERE CREDIT CARD ACCOUNT APPLICATIONS ACCEPTED.—

''(1) IN GENERAL.—A person who sells personal property to consumers on a business premises and makes available to consumers on such premises any application to open a credit card account under an open end consumer credit plan, and where such person is the issuer of such account, shall display in the premises on a sign any information that is subject to subsection (c) and that is required to be disclosed by the person on that application.

''(2) FORMAT.—Such information shall be displayed on the sign in the form and manner which the Board shall prescribe by regulations and which, to the extent practicable and appropriate, shall be consistent with the form and manner required for the disclosure of such information on the credit card application.

''(3) SIGN PLACEMENT.—Such signs shall be conspicuously placed at each location on the premises where the credit card application may be submitted by the consumer.''.

(b) CONFORMING AMENDMENT.—Section 111(e) of the Truth in Lending Act (15 U.S.C. 1610(e)) is amended by adding at the end the following:

''Section 122(d) shall supersede State laws relating to store display of the information that is subject to the requirements of such section, except that any State may employ or establish State laws for the purpose of enforcing the requirements of such section.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Illinois (Mr. GUTIERREZ) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. GUTIERREZ. I yield myself 3½ minutes.

Madam Chairwoman, this amendment contains several provisions that both sides have either agreed to or believe are noncontroversial.

First, it amends section 8 of the bill, which prohibits credit card issuers from charging consumers who choose to pay their bill by phone, over the Internet, or by other means of electronic funds transfer. It allows credit card companies to charge consumers for expedited payments by telephone when consumers request such an expedited payment.

In current practice, many credit card issuers charge their customers a substantial fee to pay their monthly bill over the phone or online. These fees, known as pay-to-pay fees, are assessed regardless of whether a customer's payment is made on time.

Pay-to-pay fees don't exist to recoup the costs incurred through processing phone or online payments. Processing an electronic payment certainly does not cost as much as the $15 fee which some credit card companies assess to their customers.

This bill would end the discrimination against payment methods by prohibiting the companies from charging a consumer to pay their bill. This amendment retains that prohibition, but permits an exception to the ban when the consumer wishes to have the convenience of an expedited payment. This would include any expedited payments made by the consumers within 24 hours of when the bill is due.

I want to thank Mr. ACKERMAN for his efforts in getting the pay-to-pay prohibition added to the bill and for working with the committee to find a bipartisan compromise to carve out expedited payments from the ban.

I also want to thank the gentleman from Delaware (Mr. CASTLE) for his work on this compromise.

This amendment contains several other provisions, including a provision drafted by Mr. HASTINGS directing the Federal Reserve to suggest appropriate guidelines for creditors to supply consumers with information regarding the availability of credit counseling services; a provision sponsored by Mr. CASTLE requiring that all credit card offers notify prospective applicants that excess credit applications can adversely affect their credit rating; a provision authored by the gentlelady from New York, Congresswoman SLAUGHTER, to require all written information and terms in any application, solicitation, contract or agreement for a credit card account to appear in no less than 12-point font; and a provision sponsored by Mr. WEINER requiring stores that are self-issuers of credit cards to display a large visible sign at counters with the same information that is required to be disclosed on the credit card information itself.

I urge my colleagues to support this amendment.

□ 1145

I reserve the balance of my time.

Mr. NEUGEBAUER. Madam Chair, I claim time in opposition, but I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. I want to thank the gentleman.

We had a tremendous amount of discussion about the pay-to-pay provision in this bill. One of the things that we don't want to do is to prevent the cardholders' ability to be able to make payments by telephone or by other means. However, a number of these companies have invested a lot of money in the technology to allow consumers to be able to pay their credit cards in different ways and thereby avoid late fees.

A concern that many of us had was, if we somehow regulated and denied the ability completely of credit card companies to be able to charge a fee for this service, that they would discontinue it. We felt like that might even cost consumers more money because they would be charged late fees and interest.

I also appreciate the gentleman in that, I think, all of us believe that disclosure is an important part of making credit card use a better tool for consumers, and I'm glad to see that the gentleman also has some additional disclosure provisions in here as to the size of the type. So I think this particular amendment makes the overall bill better, and I thank the gentleman for his amendment.

I reserve the balance of my time.

Mr. GUTIERREZ. Madam Chair, I yield 1½ minutes to the author and architect of the bill, the gentlewoman from New York, CAROLYN MALONEY.

Mrs. MALONEY. I thank the chairman for yielding and for his leadership.

Madam Chair, I rise in support of this manager's amendment. It makes a number of commonsense additions to this legislation, such as requiring all written materials from credit card companies to be in at least a 12-point font. Gone will be the days of too-small-to-read fine, fine print disclosures and contracts. It requires the better disclosure of credit card terms when potential customers are offered credit cards in retail stores. It warns customers that constant credit applications can have an adverse effect on one's credit score, and it makes a clarification that Congressman ACKERMAN sought and achieved somewhat in committee with his amendment that was accepted that will ban fees for paying your credit card bill. No more fees for paying your bills. These are all very good and important things.

I support this amendment and urge its adoption.

Mr. NEUGEBAUER. Madam Chair, it is my privilege at this time to yield so much time as he may consume to my good friend from Texas (Mr. HENSARLING).

Mr. HENSARLING. Madam Chairman, the part of this amendment that I, perhaps, do not support is one more mandate; but on balance, I wanted to compliment the ranking member, and I wanted to compliment the gentlelady from New York because the approach of this amendment is to provide consumers with tools that they can use to better understand the provisions of their credit card agreements. To me, that's at the crux of the argument.

What we should do is not take consumer choice away. We shouldn't take credit opportunities away, particularly

in a national credit crunch, but we have got to end misleading, deceptive and confusing disclosures where consumers do not have the opportunity or the ability to understand the options that are before them.

So as I look down here, being able to notify customers as to how a credit application can adversely affect their credit rating, this is a good thing. Increasing font sizes, in certain instances where needed, is a good thing. Requiring signage in stores that offer credit cards in order to help consumers to know their terms, this is a good thing.

I have said before—and I don't know if the gentlelady from New York was on the floor—that I applaud her for that portion of her bill that helps empower consumers with greater disclosure. I think that is a huge step forward.

As she well knows, I think her bill takes several steps backwards. I think it ends up eroding risk-based pricing. I believe there are some price controls within the bill. We've had a debate on that, and I assume we will continue to have a debate.

Overall, this amendment is a very good amendment, and it will help empower consumers. I am concerned about some of the pay-to-pay fees. I don't quite understand what's being accomplished there; but otherwise, it's a good amendment, and I applaud the authors for it.

Mr. GUTIERREZ. I want to thank the gentleman from Texas (Mr. HENSARLING) for his words. It's the second time we'll have a manager's amendment that we're going to be together on. I look forward to working with him more.

Mr. NEUGEBAUER. I have no further speakers, and I yield back my time.

Mr. GUTIERREZ. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. GUTIERREZ).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in House Report 111–92.

Mr. FRANK of Massachusetts. Madam Chair, I rise to offer the amendment.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. FRANK of Massachusetts:

After section 8, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 9. BOARD REVIEW OF CONSUMER CREDIT PLANS AND REGULATIONS.

(a) REQUIRED REVIEW.—Not later than 2 years after the effective date of this Act and every 2 years thereafter, except as provided in subsection (c)(2), the Board shall conduct a review, within the limits of its existing resources available for reporting purposes, of the consumer credit card market including—

(1) the terms of credit card agreements and the practices of credit card issuers;

(2) the effectiveness of disclosure of terms, fees, and other expense of credit card plans;

(3) the adequacy of protections against unfair or deceptive acts or practices relating to credit card plans, and

(4) whether or not, and to what extent, the Credit Cardholders' Bill of Rights Act of 2009 has resulted in—

(A) higher annual percentage rates of interest, on average, for credit card users than the average of such rates of interest in effect before the effective date of the Act;

(B) the imposition of annual fees or other credit card fees—

(i) that did not exist before such effective date;

(ii) at a higher average rate of applicability than existed before such effective date; or

(iii) with higher average costs to the consumer than were in effect before such effective date;

(C) an increase in the rate of denial of—

(i) new credit card accounts for consumers; or

(ii) new extensions of credit, or additional lines of credit, for existing credit accounts established before such effective date; or

(D) any other adverse or negative condition or effect on consumers.

(b) SOLICITATION OF PUBLIC COMMENT.—In connection with conducting the review required by subsection (a), the Board shall solicit comment from consumers, credit card issuers, and other interested parties, such as through hearings or written comments.

(c) REGULATIONS.—

(1) NOTICE.—Following the review required by subsection (a) the Board shall publish a notice in the Federal Register that—

(A) summarizes the review, the comments received from the public solicitation, and other evidence gathered by the Board such as through consumer testing or other research; and

(B) either—

(i) proposes new or revised regulations or interpretations to update or revise disclosures and protections for consumer credit cards as appropriate; or

(ii) states the reason for the Board's determination that new or revised regulations are not proposed.

(2) REVISION OF REVIEW PERIOD FOLLOWING MATERIAL REVISION OF REGULATIONS.—In the event the Board materially revises regulations on consumer credit card plans, a review need not be conducted until 2 years following the effective date of the revised regulations, which thereafter shall become the new date for the biennial review required by subsection (a).

(d) BOARD REPORT TO THE CONGRESS.—The Board shall report to the Congress no less frequently than every 2 years, except as provided in subsection (c)(2), on the status of its most recent review, its efforts to address any issues identified from the review, and any recommendations for legislation.

(e) ADDITIONAL REPORTING.—The Federal banking agencies and the Federal Trade Commission shall provide annually to the Board, and the Board shall include in its annual report to Congress under section 10 of the Federal Reserve Act, information about the supervisory and enforcement activities of the agencies with respect to credit card issuers' compliance with applicable Federal consumer protection statutes and regulations including—

(1) this Act, the amendments made by this Act, and regulations prescribed under this Act and such amendments; and

(2) section 5 of the Federal Trade Commission Act, and regulations prescribed under the Federal Trade Commission Act, such as part 227 of title 12 of the Code of Federal Regulations as prescribed by the Board (Regulation AA).

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I yield myself 2 minutes.

Madam Chair, at the committee, the gentleman from Texas (Mr. HENSARLING) offered a proposal for a study. I did not agree with it at the time because it seemed to me to be talking about the potential negative. Subsequently, the administration asked us to support a study which seemed to me to be incomplete because it was only talking about potential positives.

So what I decided made the most sense was to amalgamate the two and to offer a study which asked the Federal Reserve to do both sides of this. I am sometimes skeptical of studies. I will say that I have, from time to time, thought about an amendment that said that any Member who moved to create a study should be required to take a public test on the results of that study once it was completed because we too easily put in the extra work here; but I do think, in this case, it is a new area of policy. It is entirely reasonable to have both the potential pluses and minuses studied, and that is why I offer this amendment.

I reserve the balance of my time.

Mr. NEUGEBAUER. Madam Chair, I rise to claim time in opposition, but I'm not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. At this time, I would like to yield such time as he may consume to my good friend from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

Madam Chair, I want to rise in support of the Frank amendment. I appreciate the distinguished chairman of the Financial Services Committee working with me on this.

I do believe that it is an important study to have, and again, I don't know what the results of the study will be. I'll take the chairman up on his challenge. I'll be prepared to take the pop quiz once the study comes out.

The only thing that is a little bit disappointing to me, if I recall right, is I offered a second-degree amendment to the Waters amendment in markup, which I believe was a 6-month study after implementation. This is a 2-year. I wish we didn't have to wait quite that long for the results.

Madam Chairman, one of the big debates that we're having within this body today is ultimately what will the impact be of this legislation. There are those on the other side of the aisle who have maintained that this will have no

adverse impact on credit availability or that there will be no bailout effect with those who have good credit ratings and good practices who ultimately end up bailing out others. Now, some on the other side admitted they just believe there are more benefits to be derived from the legislation than the cost. I do not feel that way.

Number one, the Congressional Research Service, in response to a question regarding this legislation, said: ''Credit card issuers could respond in a variety of ways. They may increase loan rates across the board on all borrowers, making it more expensive for both good and delinquent borrowers to use revolving credit. Issuers may also increase minimum monthly payments, reduce credit limits or reduce the number of credit cards issued to people with impaired credit.''

That was the opinion of the Congressional Research Service. Again, it may prove to be true. It may not prove to be true. I believe it will prove to be true, and I believe that the Federal Reserve study could at least be helpful in determining this.

I've heard from community bankers within my district. They believe, if this legislation is passed, that ultimately smaller banks will be driven out of the market and that only the larger banks will be left offering these cards. If so, that, again, is fewer choices for consumers and reduced credit options.

We've heard from academics on the subject, like Professor Todd Zywicki of George Mason University, who said, ''The increased use of credit cards has been a substitution from other types of consumer credit. If individuals are unable to get access to credit cards, experience and empirical evidence indicates they will turn elsewhere for credit—such as to pawn shops, payday lenders, rent-to-own or even loan sharks.''

Again, I think that, given the expertise of the Federal Reserve—and certainly, I don't agree with everything they come out with, but they are a relevant party. They do have expertise, and I think it is an important portion of the chairman's amendment that they study the phenomena. We know about the experience of the U.K. When a couple of years ago they passed legislation, they ordered that the credit card default fees had to be cut or legal action would be taken. What happened is that two of the three biggest issuers imposed annual fees on their cardholders. Nineteen of the largest raised interest rates. Sixty percent fewer applicants were being able to receive credit.

So we have, number one, historical experience. We have academic testimony. We have testimony from the Congressional Research Service. So I hope there is an acknowledgment that there is at least a chance that those of us who argue the adverse consequences of the legislation may be proven right. I don't think the Federal Reserve are the only people who should study this phenomenon. I'm happy to invite a GAO study and other independent studies.

Again, I think it's a very important point, and although I think the gentlelady from New York's legislation takes a huge step forward with respect to disclosure, with respect to fighting misleading and really deceptive practices, I also fear that those who need credit the most in a credit crunch will be denied those opportunities. I fear that those who pay their bills on time or at least pay the minimum on time, which is over half of America, will end up having to bail out the other half, and we will have more bailout legislation.

So I appreciate the chairman in working with me and at least studying the phenomenon to see if it has any validity. I'm sorry we have to wait 2 years, but it's certainly better than nothing. Again, I appreciate the chairman of the full committee working with me on this.

□ 1200

Mr. FRANK of Massachusetts. I reserve the balance of my time.

Mr. NEUGEBAUER. Madam Chairman, I just want to reiterate what my friend from Texas said is that we do need to make sure we understand the intended and unintended consequences of this legislation and how it's going to impact consumers who use credit cards.

Like the gentleman from Texas, I'm disappointed that we're going to wait for 2 years to get those results, but I do think it's important that the agencies involved here make sure that if we have gone down a road that has a negative impact on the people that use our credit cards and depend on them, we need to know about that.

With that, I yield back.

Mr. FRANK of Massachusetts. Madam Chair, I am very pleased to be able to say today that the gentlewoman from New York, the author of the bill, and the gentleman from Illinois, the chairman of the subcommittee, are doing an excellent job.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MS. SLAUGHTER

The Acting CHAIR (Mr. PASTOR of Arizona). It is now in order to consider amendment No. 3 printed in House Report 111–92.

Ms. SLAUGHTER. Mr. Chairman, I offer an amendment.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. SLAUGHTER:

In that portion of section 7 that precedes the amendment adding a new paragraph (8), strike ''paragraph'' and insert ''paragraphs''.

At the end of the paragraph (8) added by the amendment made by section 7, strike the closing quotation marks and the 2nd period.

After paragraph (8) of section 127(c) of the Truth in Lending Act (as added by the amendment made by section 7), insert the following new paragraph:

''(9) PROVISIONS APPLICABLE WITH REGARD TO THE ISSUANCE OF CREDIT CARDS TO FULL-TIME, TRADITIONAL-AGED COLLEGE STUDENTS.—

''(A) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) COLLEGE STUDENT CREDIT CARD ACCOUNT DEFINED.—The term 'college student credit card account' means a credit card account under an open end consumer credit plan established or maintained for or on behalf of any college student.

''(ii) COLLEGE STUDENT.—The term 'college student' means an individual—

''(I) who is a full-time student attending an institution of higher education; and

''(II) who has attained the age of 18 and has not yet attained the age of 21.

''(iii) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the same meaning as in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

''(B) MAXIMUM AMOUNT LIMITATION AS A PERCENTAGE OF GROSS INCOME.—Unless a parent, legal guardian, or spouse of a college student assumes joint liability for debts incurred by the student in connection with a college student credit card account—

''(i) the amount of credit which may be extended by any one creditor to the full-time college student may not exceed, during any full calendar year, the greater of—

''(I) 20 percent of the annual gross income of the student; or

''(II) $500; and

''(ii) no creditor shall grant a student a credit card account, if the credit limit for that credit card account, combined with the credit limits of any other credit card accounts held by the student, would exceed 30 percent of the annual gross income of the student in the most recently completed calendar year.

''(C) PARENTAL APPROVAL REQUIRED TO INCREASE CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS JOINTLY LIABLE.—No increase may be made in the amount of credit authorized to be extended under a college student credit card account for which a parent, legal guardian, or spouse of the consumer has assumed joint liability for debts incurred by the consumer in connection with the account, before the consumer attains the age of 21, with respect to such consumer, unless the parent, guardian, or spouse of the consumer, as applicable, approves in writing, and assumes joint liability for, such increase.

''(D) INCOME VERIFICATION.—For purposes of this paragraph, a creditor shall require adequate proof of income, income history, and credit history, subject to the rules of the Board, before any college student credit card account may be opened by or on behalf of a student.

''(E) PROHIBITION ON MORE THAN 1 CREDIT CARD ACCOUNT FOR ANY COLLEGE STUDENT.—No creditor may open a credit card account for, or issue any credit card to, any college student who—

''(i) has no verifiable annual gross income; and

''(ii) already maintains a credit card account under an open end consumer credit plan with that creditor, or any affiliate thereof.

''(F) EXEMPTION AUTHORITY.—The Board may, by rule, provide for exemptions to the provisions of this paragraph, as deemed necessary or appropriate by the Board, consistent with the purposes of this paragraph.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentlewoman

from New York (Ms. SLAUGHTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Ms. SLAUGHTER. Mr. Chairman, I rise in strong support of my amendment to protect college students from the hardship of excessive credit card debt and bankruptcy, and I am pleased to share my time with Congressman DUNCAN of Tennessee, with whom I have labored for at least 10 years to try to see this day come. And I appreciate him for his constant help and support.

According to Sallie Mae, the average undergraduate has $2,200 in credit card debt, and that figure jumps to $5,800 for graduate students. And according to Sallie Mae, 84 percent of undergraduates have at least one credit card, up from 76 percent in 2004. On average, students have 4.6 credit cards, and half of college students have more than four, which would be fine if the students were able to pay off the credit card debt.

Only 17 percent have said that they regularly pay that debt. Most of them have parents or simply let it go. A 2005 study—which is very important for us to know—indicated that many university administrators believe that credit card debt leads to a higher drop-out rate than their academic failure. Now, I don't think any of us ever expected that in our lifetime, that more students would drop out of college because of credit card debt than because of their academics. Indeed, the Indiana University administrator was quoted in the Chicago Tribune warning incoming freshmen that the school ''loses more students to credit card debt than to academic failure.''

And we all know the ramifications of what happens when they become delinquent on their credit card debt. They can ruin their credit scores and end up paying higher rates on all future loans, and even more seriously they may be forced to declare bankruptcy and may not have enough credit rating to have credit cards again.

Over the past 10 years the number of young people filing for bankruptcy has increased. If credit card companies applied the same scrutiny to college students as they do to adults when approving them for credit cards, college students would not be able to maintain the balances which they are incapable of paying.

This is not merely smart business practice, it's good public policy, and our amendment will do just that by requiring the credit card companies to take responsibility for their lending practices to reduce the number of young people carrying excessive debt and filing for bankruptcy. We would ensure that credit card companies cannot provide students with extravagant limits and require the creditors to obtain a proof of income, income history and credit history from the students before approving the application.

It would also encourage financial responsibility from students by limiting those without income to one credit card and set a limit by allowing increases over time if prompt payments have been made.

Credit cards can be a useful tool to help students; however, it can also be a card to failure.

I urge my colleagues to support this amendment.

I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim time in opposition.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Chairman, at this time, I am pleased to yield 2 minutes to the distinguished ranking member, the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Chairman, there is nothing more controversial than students with credit cards and young people with credit cards. I think we all, as Members of Congress, have heard complaints from our constituents, and this is a response to some of that unease or anger.

But what we're doing here is two things. There are two provisions of this bill that I am opposed to. One is that you cannot have a credit card or someone under the age of 18 cannot have a credit card unless they have been emancipated by the State of residence, which means you're eliminating anyone under the age of 18. That includes a lot of students. And there are those who are saying no credit card under any circumstances unless you have been emancipated, which I disagree with.

Secondly, here you're saying to a group of students, 77 percent, according to GAO, use their credit cards for most of their personal expenses, a lot of their lodging, a lot of their books, a lot of their fees, and make large purchases from time to time.

You're saying you can only have a credit card in two cases: $500—which is not going to be sufficient for many of them—or 20 percent of your income. Some of them are students. They have no income.

Now, you say to get around this, their parents can cosign and, number two, you do a complete credit history, which is pretty intrusive. You're really making decisions for every family and every student. Do you want to do that? What if their parents won't sign? But what if they need a credit card to go to school and they need to charge over $500? You're really beginning to micromanage. And sometimes it will prevent some injustices, sometimes it will prevent some financial difficulties, like Ms. SLAUGHTER said, but oftentimes, it will result in students not having the use of a credit card.

Ms. SLAUGHTER. Mr. Speaker, I would like to yield the remainder of my time to Mr. DUNCAN.

The Acting CHAIR. The gentleman from Tennessee is recognized for 1½ minutes.

Mr. DUNCAN. Mr. Chairman, I will be very brief.

First, I want to commend my colleague, the gentlelady from New York, for her hard work on this over many years, as she has mentioned.

The college student loan program has resulted in many thousands and thousands of college graduates, graduated from college or even before graduation incurring huge, huge debts. And when you add credit card debts on top of that, now the average graduating college student has a combined credit card and student loan debt of $20,402. Many, many thousands have much, much more than that.

And I think this amendment, some of what my friend, the gentleman from Alabama, has discussed, doesn't really pertain to the specific amendment that Ms. SLAUGHTER and I have done.

This amendment applies only to full-time, traditional-age college students, defined as a full-time student and in an institution of higher education who has not reached the age of 21. So this amendment does not apply to anyone over the age of 21.

I think it's a very reasonable amendment and a very minimal limitation or restriction on credit cards. Some universities, many universities across this country have entered into deals with credit card companies, and now they are not only encouraging students to incur huge student loan debts, they're encouraging students to incur credit card debts.

And I just think this amendment will send a message to parents and college students that they at least need to think about. We passed a resolution a couple of days ago encouraging a financial literacy program recognizing the fact that many people don't have the financial literacy they need.

Mr. NEUGEBAUER. Mr. Chairman, I am pleased to yield 1½ minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I certainly appreciate the intent behind the legislation, but I am fearful of what its adverse impact could be.

Like many people across this Nation, probably many people in this institution, I worked my way through undergraduate school. I worked a couple of different jobs in Texas A&M University back in the mid-seventies to get through college. To get to those jobs, I somehow had to keep an old 1965 Mustang running, and it didn't want to run.

For some reason, a credit card company sent me a solicitation, and I got a credit card. And whether I had a transmission problem that I couldn't pay for, I had a water pump go out, that credit card tided me over, made sure I had transportation to get to my job to pay for my undergraduate studies. And I hate to think about all of the college students in America who may be denied that opportunity. I used it the way it was supposed to be used. I used it for emergency purposes. I used it to tide me over until that next paycheck came in.

We're talking about folks over 18 who can vote, who can go to war, in most States can marry, own real property. We shouldn't be paternalistic towards them. We shouldn't deny them what could be an incredibly valuable tool to get them through college in the first place.

So I urge the rejection of this amendment.

Mr. NEUGEBAUER. Mr. Chairman, I yield myself the balance of my time.

I think one of the concerns I have is this is a road we seem to be going down every day in these first hundred days, and that is the Federal Government telling people what they can and cannot do. I was shocked this week when the EPA administrator Lisa Jackson told public radio that it was time for America to have a single roadmap and for the government to tell Americans what kind of cars they ought to be driving. Now we have an amendment here that's going to tell college students whether they can have a credit card or not.

This is not the America that our Founding Fathers founded. They founded this Nation on empowerment and they founded it on the basis of freedom of choice, and now we're taking choices away. And like the gentleman from Texas just said, my wife and I put ourselves through college. We felt like we were fairly responsible. We weren't getting student loans, we were working. From time to time we needed a little extra help, and we were able to use our gasoline credit card or our credit card for unforeseen expenses. Now we're telling people 18–21 the government doesn't think you ought to have a credit card or you're not responsible enough to have a credit card.

So now we have an amendment that says, By the way, we're not going to teach you how to use your credit appropriately. We're just going to take your credit away.

Anybody that knows what challenges that young people in college are facing today would know that this is not a good thing for these young people. Many of them are working their way through school and they use this credit card as a valuable tool. Ranking Member BACHUS said 77 percent of students and universities are using these cards. Not all of them are using them irresponsibly.

So now for those people that feel like that somehow there's predatory activities going on, we're going to take that right away.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from New York (Ms. SLAUGHTER).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. NEUGEBAUER. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from New York will be postponed.

AMENDMENT NO. 4 OFFERED BY MR. GUTIERREZ

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in House Report 111–92.

Mr. GUTIERREZ. I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. GUTIERREZ:

In paragraph (1) of subsection (j) of section 127B of the Truth in Lending Act (as added by section 3(f) of the bill) strike ''minimum payment shall be applied'', where such term appears in the matter preceding subparagraph (A), and all that follows through the end of subparagraph (B) of such paragraph and insert ''minimum payment shall be allocated first to the balance with the highest annual percentage rate and any remaining portion is allocated to any other balance in descending order, based on the applicable annual percentage rate each portion of such balance bears, from the highest such rate to the lowest''.

□ 1215

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Illinois (Mr. GUTIERREZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. GUTIERREZ. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this amendment, which includes language that was requested by the White House, addresses how credit card companies allocate payments when a consumer is carrying balances on their credit cards at several different interest rates.

Under existing law, when different portions of a consumer's credit card balance have different interest rates, the credit card insurer may allocate payments in excess of the minimum payment in any manner they choose. Many insurers allocate these excess payments to the portion of the balance with the lowest interest rate, ensuring that the highest interest portions remain on the debtor's account longer.

H.R. 627, as reported, requires payments in excess of the minimum payment to be allocated either, one, to the portion with the highest interest rate first and then other portions based on descending order of APR, or, two, on a pro rata basis. The Gutierrez-Peters-Edwards amendment would eliminate the pro rata option in H.R. 627 and require credit card insurers to allocate payments in excess of the minimum payment to the portion of the consumer's remaining balance with the highest interest rate first, and then by any remaining balances in descending order. This amendment would prevent the credit card insurers from abusing the introductory rates they offer by allocating payments to the lowest rate balance first, while the industry makes their profits from keeping the highest interest rates balance on the consumer's account, which is common practice today.

Our consumers need every tool we can give them to pay down their existing credit card debt and avoid getting caught in the cycle of debt. This amendment would dramatically shift the balance of power from credit card companies to our consumers.

I thank the two wonderful freshmen Members who cosponsored this amendment, Mr. PETERS from Michigan and Ms. EDWARDS from Maryland. I strongly urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim time in opposition to the amendment.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Chairman, the bill itself I think reached a compromise on this issue as well as the Federal regulations that came out about this, and basically it allows it to prorate that. So if there were an introductory period where the interest rate was lower and then later on that introductory period passed, it was fair to prorate the payments between the two rates, the old rate and the new rate. This one now allows the payment to be applied to the introductory rate. And thereby, I think what it is going to do—and again, we talk about choice. It is going to continue to restrict the kinds of cards and choices that the American people are going to be able to use and look at and be given from the various credit card companies. And so I am opposed to this.

At this time, I yield 2 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

I fear that what we have here is another form of price controls being applied to credit card availability.

You know, what is going to happen here, as we attempt to protect the consumer, I think we are about to protect him right out of having any opportunity to have an introductory rate. I mean, what is going to end up happening here is, instead of, say, enjoying a 10 percent rate for 3 months and then a 15 percent rate kicks in for the next 9 months, you are going to end up with 15 percent for the whole year.

Again, the answer here is to allow the consumer to have choice. People can understand this if we will write the disclosure in the right way. Yes, there are deceptive practices, but don't hurt the consumer as you clean up deceptive practices, but let the consumer choose. Let the consumer choose. And particularly for those who pay their bill on time at the end of each month, they are going to be hurt every time you take away just a little bit and chip away at the ability for people to have their risk priced because those who are good risk are going to end up subsidizing those who aren't.

I fear, again, that this will be an amendment that has untold, unintended consequences that are going to

ultimately hurt the consumer. I mean, there are a lot of different things that I would love for Congress to do. You know, I don't like to pay extra for the cheese on a cheeseburger; maybe we can somehow pass a law that they can't charge me extra for that. But you know what's going to happen? Either, one, they are going to quit offering me the cheeseburger, or number two, everybody who doesn't offer it is going to have to pay more. If you poke in on one end of the balloon, it pokes out somewhere else.

I know the intention is good, but we are going to protect consumers out of having any opportunity to have introductory rates if they wish them. So we need to reject this amendment.

Mr. GUTIERREZ. Mr. Chairman, I would inquire as to the time remaining on our side.

The Acting CHAIR. The gentleman has 3 minutes remaining.

Mr. GUTIERREZ. Mr. Chairman, I yield 2 minutes to the wonderful gentlewoman and cosponsor from Maryland (Ms. EDWARDS).

Ms. EDWARDS of Maryland. Mr. Chairman, I rise today in support of the Gutierrez-Peters-Edwards amendment. I am a proud sponsor of the amendment. And thank you to Chairman GUTIERREZ for his leadership on this issue, and also to Representatives FRANK and MALONEY for their stellar work on behalf of consumers and protecting consumers.

This amendment is such common sense that it almost seems unnecessary to explain, and it is supported by the White House. It would simply require credit card issuers to allocate payments in excess of the minimum payment to the portion of the remaining balance with the highest outstanding annual percentage rate.

Today, most credit card companies put the high-interest charges at the bottom of your balance. So even if you are making a payment every month, none of that payment will go to the highest interest debt until your payment covers the entire balance of the low-interest debt as well. This is costing consumers thousands of dollars that could be put back into the economy.

The current system makes it difficult, if not impossible, for people to pay off their debt, and it is really designed to make consumers prisoners of the credit card company, forever indebted to them because you could never pay off the highest interest debt. The practice has to be changed, and this is the vehicle to change it.

Mr. Chairman, the underlying bill and this amendment are about doing the right thing for American consumers and potentially saving them thousands of dollars that can be put straight back into our economy. I urge my colleagues to support this amendment and the underlying bill.

Mr. NEUGEBAUER. Mr. Chairman, I yield back the balance of my time.

Mr. GUTIERREZ. Mr. Chairman, I yield myself the remaining time.

The Acting CHAIR. The gentleman from Illinois is recognized for 1½ minutes.

Mr. GUTIERREZ. First of all, this is really a simple, commonsense practice for consumers. It says, you had an interest rate of 10 percent on the first $100 you took, and then the credit card company raises it to 20 percent when you take another $100. And the minimum payment is $30 on that $200, but you make a payment of $50. What happens with that extra $20 over the minimum payment? It goes to reduce the debt on the highest interest rate first. So, therefore, the consumer is protected from the hike.

I just want to say that this amendment comes after conversations with the President and the White House and the credit card industry. It was sent over here to the House. I am proud to join the gentlelady from Maryland in proposing this commonsense amendment to protect consumers.

Just think, you have a chance to put consumers first by allowing them to pay down the debt at the highest interest rate after the credit card company changed the rate on you. That is all this really does. It is very consumer-oriented, and that is what I think we should be all about here today.

Mr. PETERS. Mr. Chair, I rise today in support of this Amendment and the underlying bill, which provides important protections for consumers against unfair credit card billing practices. This amendment, which I am proud to be cosponsoring, simply states that when a credit card holder makes a payment it has to be allocated to the balance with the highest interest rate first.

Like many of my colleagues, I meet regularly with constituents who are struggling. In Michigan, unemployment is rising, home prices are falling, and many families are struggling with increased debts and financial insecurity. While I am new to the Congress, I am not new to the business of advising families on what's in their financial best interest. For twenty-two years I was a financial adviser, and my advice to anyone attempting to pay off outstanding debt was clear: pay off the highest interest accounts first. But current credit card billing practices don't always make that possible.

This straight forward, common sense amendment protects consumers by requiring any payment beyond the minimum payment to be applied to the highest interest balance, thus ensuring that families that are working hard to pay their bills and get out from under their credit card debt are not stuck in a hole paying off low interest debt while the compound interest on their higher interest debt keeps piling up.

Mr. Chair, this amendment and this bill provide important protections for America's families during this time of economic uncertainty. I urge my colleagues to adopt the Gutierrez/Peters Amendment and vote in favor of the Credit Cardholders' Bill of Rights.

Mr. GUTIERREZ. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. GUTIERREZ).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MS. PINGREE OF MAINE

The Acting CHAIR. It is now in order to consider amendment No. 5 printed in House Report 111–92.

Ms. PINGREE of Maine. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Ms. PINGREE of Maine:

After section 9, insert the following new section (and redesignate the subsequent section accordingly):

SEC. 10. INTERIM IMPLEMENTATION REPORTS TO THE CONGRESS.

The Chairman of the Board of Governors of the Federal Reserve System shall submit a report each 90 days after the date of the enactment of this Act on the level of implementation of the regulations required to be prescribed under this Act to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate until the Chairman can report full industry implementation.

The Acting CHAIR. Pursuant to House Resolution 379, the gentlewoman from Maine (Ms. PINGREE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Maine.

Ms. PINGREE of Maine. Mr. Chair, I yield myself such time as I may consume.

First I need to thank Chairman FRANK, Chairman GUTIERREZ, and my colleague, Representative MALONEY, for their tireless leadership on this very important bill before us today. This bill takes real steps to curb the unfair, unreasonable, and deceptive practices that nearly 175 million Americans with credit cards are subject to.

Late fees, over-the-limit fees, arbitrary interests, increases in interest rates, the credit card companies have gotten away with far too much for far too long. It is time we level the playing field now for small businesses, families and individuals.

In Maine, like so many places across the country, this is one of the most important issues on the minds of hard-working men and women. If they have not themselves been the victim of arbitrary rate increases, double-cycle billing, and deceptive fees buried in pages of indecipherable terms, then they know someone who has.

While these deceptive and misleading practices have always been unfair, they have devastating financial consequences during this time of economic difficulty when more and more people are using their credit cards to buy gasoline, to pay for their health care bills, or put food on the table.

In Maine, not only have we been customers, but we are also employees of a credit card company. And as employees, we have seen firsthand the pervasive and unethical methods that these companies employ. When MBNA—now Bank of America—came into our community, people who had traditionally

built homes or been fishermen found themselves using deceptive company practices to sell their neighbors credit they couldn't afford, and it took its toll.

Last fall, Nightline profiled Cate Columbo and Jerry Young of Camden, Maine, who worked 10-hour shifts at MBNA pushing customers into taking huge cash advances that they couldn't afford. The company urged employees to take advantage of parents sending their kids to college, homeowners, even veterans. In the Nightline piece, Cate said, ''I would come home, and I would literally be crying in the sink doing dishes.'' The deceptive and misleading practices that Cate, Jerry and thousands of others were pressured to enforce ran squarely counter to the core values that Mainers and those across this country live by every day. That is why it is so important to pass this landmark bill today.

I strongly support the bill before us, but I want to be sure that it is implemented as soon and as well as possible. It is very important that we, as Congress, should be diligent about making sure that the industry and the regulators hold up their end of the legislation. My amendment simply requires that the Chairman of the Board of Governors of the Federal Reserve System reports on the level of implementation every 90 days until he can report full industry adoption.

Mr. Chairman, consumers have demanded that Congress act to stop the egregious practices of credit card companies, and it is our responsibility to provide the accountability and oversight that is necessary to ensure this happens. As we move to rebuild our economy in a way that is honest and fair, this commonsense legislation will allow cardholders to responsibly manage their finances.

Today, this body has the opportunity to change course by fixing a broken credit card system. I urge a ''yes'' vote on the amendment and the underlying bill.

I reserve the balance of my time.

Mr. NEUGEBAUER. We do not claim any time in opposition to the amendment.

Ms. PINGREE of Maine. I yield back my time and I urge a ''yea'' vote.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Maine (Ms. PINGREE).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. POLIS

The Acting CHAIR. It is now in order to consider amendment No. 6 printed in House Report 111–92.

Mr. POLIS. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. POLIS:

In subparagraph (A) of the new paragraph (8) added to section 127(c) of the Truth in Lending Act by section 7 of the bill, insert ''or the parent or legal guardian of such consumer is designated as the primary account holder'' before the period at the end.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Colorado (Mr. POLIS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Colorado.

Mr. POLIS. Mr. Chairman, I rise in support of my amendment to ensure that young Americans can continue to access credit and begin to establish a credit history and learn financial literacy.

I would like to thank Congresswoman MALONEY and her staff and Chairman FRANK and his staff for bringing this important consumer protection bill to the floor and for consideration of my amendment.

In my district of Colorado, financially responsible families who have paid their bills and been careful with credit have had the added insult of skyrocketing interest rates imposed by the very banks who caused the injury of this recession through their mismanagement.

We need available credit and fair borrowing terms in order to restore our Nation's economic health. This bill is good for consumers and, by reducing defaults and increasing consumer confidence, it is also good for the financial services industry. Equitable terms will result in on-time payments, making bank balance sheets healthier.

Management of credit is a matter of personal responsibility; however, to be truly accountable, the rules must be clear. The Credit Cardholders' Bill of Rights gives Americans the tools to be responsible with credit, and I urge its swift passage.

Furthermore, Mr. Chairman, it is important to recognize the professionals in the lending industry who have been the champions of their customers. In Colorado, we have the Young Americans Center for Financial Education. This bank for young people is teaching the next generation how to use credit wisely and teaches about business development and investment. Many other banks and credit unions, realizing that the informed customer is the best customer, have offered financial literacy and counseling courses, and these efforts are to be applauded.

□ 1230

Across the country, brokerage firms and even employers have taken action to inform people about financial services. I want to commend these efforts and encourage the entire industry to follow the example of these leaders.

While regulatory reform is important, the blame for our economic woes does not rest solely on the shoulders of the finance industry or government regulation. We must also aggressively address our culture of financial illiteracy. According to the consumer financial literacy survey report released this week, 41 percent of American adults would give themselves a C or below for financial literacy. More troubling is the lack of knowledge about credit among younger Americans. We all know that the credit mistakes of youth can carry serious long-term consequences. If we expect the next generation of Americans to use credit responsibly, we must ensure that they are exposed to the tools of financial literacy at an early age.

It's for this reason that I have offered this amendment that will continue to allow minors to have a credit card in their name under the supervision of their parent or guardian. Not only is the practical firsthand experience of credit critical to financial literacy and establishing credit and personal responsibility, but for many families it's also an important safeguard in emergency situations. The Credit Cardholders' Bill of Rights is the beginning of what needs to be a thorough discussion of making financial literacy universal. This economic crisis has created a new awareness of the importance of financial literacy, and I urge this Congress to support reforms not only in regulation but in education to ensure that familiarity of financial instruments give Americans of all ages access to increased credit, homeownership, higher education, and are able to build wealth.

Today as we recognize the importance of financial literacy here on Capitol Hill, let's put words to action for young people back in our districts by protecting their ability to be introduced to credit.

I ask my colleagues to support my amendment to ensure age-appropriate access to credit continues to be the law of the land, and I further ask my fellow Members of Congress to pass this bill to give our constituents the needed relief and reforms of the Credit Cardholders' Bill of Rights.

I once again thank Congresswoman MALONEY and Chairman FRANK.

Mr. Chairman, I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, we have no opposition to this amendment.

Mr. POLIS. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Colorado (Mr. POLIS).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. JONES

The Acting CHAIR. It is now in order to consider amendment No. 7 printed in House Report 111–92.

Mr. JONES. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. JONES:

After section 9, insert the following new section (and redesignate the subsequent sections accordingly):

SEC. 9. PROCEDURE FOR TIMELY SETTLEMENTS OF DECEDENT OBLIGORS' ESTATES.

(a) IN GENERAL.—Chapter 2 of the Truth in Lending Act (U.S.C. 1631 et seq.) is amended

by adding at the end the following new section:

''§ 140A Procedure for timely settlements of decedent obligors' estates

''The Board, in consultation with the Federal Trade Commission and each other agency referred to in section 108(a), shall prescribe regulations to require any creditor, with respect to any credit card account under an open end consumer credit plan, to establish procedures to ensure that any administrator of an estate of any deceased obligor with respect to such account can resolve outstanding credit balances in a timely manner.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 2 of the Truth in Lending Act is amended by inserting after the item relating to section 140 the following new item:

''140A. Procedure for timely settlements of decedent obligors' estates.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from North Carolina (Mr. JONES) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. JONES. Mr. Chairman, I first would like to thank Chairman FRANK and Mrs. MALONEY for permitting me to bring this amendment to the floor. This amendment today reflects a personal story that I would like to tell in just a very few minutes.

A childhood friend of mine, Ben Monk, died of cancer in January. His brother, J.Y. Monk, is also a very close and dear friend of mine. As the estate executor, J.Y. Monk had a difficult time resolving the outstanding balance of Ben's account. He sent four separate letters to the credit card company, Capital One, requesting the account balance amount. He called Capital One on four different occasions. He repeatedly faxed and mailed Capital One his brother's death certificate and letters of testimony. He was never contacted in return and was unable to gain access to the account balance due. Meanwhile, Capital One was collecting very high interest payments on the account.

This was unacceptable. It is already difficult enough for families to take up the practical matter that must be dealt with soon after a loved one dies. They should not have to chase after creditors and get the runaround from poor customer service.

This amendment is very simple. It would require the Federal Reserve Board to establish regulations to allow estate administrators to resolve outstanding credit balances on credit card accounts in a timely manner. This amendment would allow a deceased person's estate to quickly settle their account and pay off the remaining debt.

According to the Congressional Research Service, there is no current standard for credit card companies to follow to wind down estates in a timely manner when a deceased person's estate is trying to be settled. This amendment would help estate administrators to quickly and without hassle be able to bring a resolution to the estate.

Again, I would like to thank the chairman and Mrs. MALONEY. I would like to thank my side for permitting me to bring this to the floor of the House.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I rise in very nominal opposition to the amendment.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I am opposed only in that by bringing forth this amendment, the gentleman from North Carolina has revealed the imperfection of our product. We should have included this in the first place.

But it is a very good idea, and I congratulate him for his diligence. And this is the process at its best, a specific issue which was called to the attention of a Member in a concrete way, and he responds not simply in terms of that specific situation but with a broader solution.

With that, Mr. Chairman, I now yield such time as she may consume to the gentlewoman from California (Ms. LEE).

Ms. LEE of California. First, let me thank the chairman for yielding and for his tremendous leadership in bringing this very important bill to the floor today.

Mr. Chairman, I believe that the critical protections contained in this legislation will strengthen the regulations issued by the Federal Reserve, and I strongly support its passage.

However, Mr. Chairman, I am concerned that during these incredibly difficult and challenging economic times, our constituents are increasingly being squeezed with egregious fees and dubious business practices by the very banks that their tax dollars have been bailing out. The newspapers are rife with stories about consumers being gouged, mind you, gouged by banks that have been suddenly jacking up their interest rates on their credit cards or imposing new monthly service charges or reducing credit limits with little or no explanation. In most cases these tactics are being used on consumers, although they carry a balance from month to month, they pay their bills on time, they're playing by the rules, and they make at least their minimum payment. We've heard countless, countless stories of bait-and-switch tactics by credit card issuers who suddenly raise interest rates because a consumer is a few days late in paying another creditor. This is just downright wrong. It's outrageous.

Years ago I worked with now-Senator SANDERS on legislation, and this was when I was on the Financial Services Committee, to address this practice of universal default. I am pleased that this language is included in this bill, but it's critical that the protections banning this practice are put into place immediately.

Mr. Chairman, the Federal Reserve has already determined that the use of these unfair bait-and-switch profit-maximizing tactics must end. I believe that we can and we should end these practices at the earliest possible date, like now.

Mr. FRANK of Massachusetts. I will reclaim my time to say the gentlewoman has been a staunch advocate of this. She was thinking about an amendment. I regret that we were in a situation where we weren't able to move the date up for a variety of reasons.

I will say this: if the banks, the credit card issuers, use the time between now and the effective date in a way that is abusive of customers, if they use the time not simply to get ready for the change that they say they need, but if they use the interim period to raise rates on people retroactively and to do other things that are abusive, to me that will be a very strong argument for speeding up the date. Now, the Senate hasn't acted on this bill yet, and it doesn't become law until they do and we go to conference. If we see a pattern of the credit card companies using the time lag to engage in practices that this bill seeks to stop in an excessive way, then I will urge my Senate colleagues to speed up the date and we will acquiesce.

Mr. Chairman, I now yield on this issue to one of the main advocates here, the gentleman from North Carolina (Mr. WATT).

Mr. WATT. I thank the gentleman for yielding, and I think he's yielding to me because I made this point in the committee markup that credit card companies were engaging in negative conduct in the interim before this bill gets implemented, and Mr. FRANK made exactly the same commitment to me at that point, and we're certainly going to push them on that.

Mr. FRANK of Massachusetts. Mr. Chairman, I will yield again to the gentlewoman from California.

Ms. LEE of California. I certainly thank you for your very strong statement.

I just want to mention that originally, as I understand it, this bill did contain a 3-month window following the date of enactment. And I want to thank Congresswoman CAROLYN MALONEY from New York for her leadership on this bill, who really understands the need to do this as quickly as possible.

The fact is, as the chairman noted, the banks know that the handwriting is on the wall. They're boosting up fees and rates on consumers now, and we have a lot of evidence of that. And the longer we wait to ban these practices, the more our constituents will suffer.

Mr. FRANK of Massachusetts. Reclaiming my time, Mr. Chairman, if the handwriting on the wall becomes graffiti, in our view, then out comes the whitewash brush. So we'll be very clear. We were told they needed time to get things ready. If it appears that that time is being used to take advantage of consumers and to try to get in some

last licks before the rule goes into effect, then I and I believe the overwhelming majority of the committee and of the House will urge our colleagues in the Senate to speed up the date in their version and we will acquiesce with that.

Mr. JONES. Mr. Speaker, I would like to close by thanking them again for this opportunity to bring this to the floor of the House, and I hope that the House will pass this amendment and also pass this bill. It's much needed.

Mr. WATT. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from North Carolina.

Mr. WATT. I neglected to address the gentleman's amendment, Mr. Chairman.

I want to urge my strong support for the gentleman's amendment from a personal experience. I was the administrator of my brother's estate after he died more than 2 years ago. I'm still getting bills that I have paid off to credit card companies out of that estate. So it's a serious problem and I am glad he's addressing it.

Mr. JONES. Mr. Chairman, I thank the gentleman from North Carolina.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from North Carolina (Mr. JONES).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MRS. MALONEY

The Acting CHAIR. It is now in order to consider amendment No. 8 printed in House Report 111–92.

Mrs. MALONEY. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mrs. MALONEY:

Strike out subsection (m) of section 127B of the Truth in Lending Act (as added by section 4 of the bill) and insert the following new subsection:

''(m) OPT-IN REQUIRED FOR OVER-THE-LIMIT TRANSACTIONS IF FEES ARE IMPOSED.—

''(1) IN GENERAL.—In the case of any credit card account under an open end consumer credit plan under which an over-the-limit-fee may be imposed by the creditor for any extension of credit in excess of the amount of credit authorized to be extended under such account, no such fee shall be charged unless the consumer has elected to permit the creditor, with respect to such account, to complete transactions involving the extension of credit, with respect to such account, in excess of the amount of credit authorized.

''(2) DISCLOSURE BY CREDITOR.—No election by a consumer under paragraph (1) shall take effect unless the consumer, before making such election, received a notice from the creditor of any over-the-limit fee in the form and manner, and at the time, determined by the Board.

''(3) FORM OF ELECTION.—A consumer may make the election referred to in paragraph (1) orally or in writing.

''(4) TIME OF ELECTION.—A consumer may make the election referred to in paragraph (1) at any time and it shall be effective until the election is revoked by the consumer orally or in writing.

''(5) REGULATIONS.—

''(A) IN GENERAL.—The Board shall issue regulations allowing for the completion of over-the-limit transactions that for operational reasons exceed the credit limit by a de minimis amount, even where the cardholder has not made an election under paragraph (1).

''(B) SUBJECT TO NO FEE LIMITATION.—The regulations prescribed under subparagraph (A) shall not allow for the imposition of any fee or any rate increase based on the permitted over-the-limit transactions with respect to the account of any cardholder who has not made the election in paragraph (1).

''(C) DISCLOSURES.—The Board shall prescribe regulations governing any disclosure under this subsection.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentlewoman from New York (Mrs. MALONEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, I yield myself 2½ minutes.

Last week when the President met with executives of the card companies, he said that credit cards had become unnecessarily complicated for consumers, often leading them to pay more than they reasonably expect. After his meeting, his administration reached out to Congress to offer their support of the credit cardholders' bill of rights but also to offer additional amendments and provisions. The one that we are considering now is one put forth by the administration, and this would require cardholders to opt into any over-the-limit coverage on their credit card.

Our constituents are faced with a multitude of fees and penalties that can be assessed to their credit card accounts. In many cases they do not even know the fees exist because disclosure agreements can be confusing and hard to understand. A recent editorial in the New York Times called ''Over the Limit'' detailed one of the so-called ''worst tricks'' used by credit card companies, ''allowing a consumer to overcharge on his or her account but when the bill arrives, the consumer has been assessed an over-the-limit fee.''

I would like to place this editorial in the RECORD.

[From the New York Times, Apr. 25, 2009]

OVER THE LIMIT

President Obama told banking executives this week to clean up their credit card business. He made clear that he understands the billowing anger and the huge strains placed on millions of American cardholders who face sudden interest rate spikes, hidden fees and tricky contracts that no one without a law degree and a magnifying glass can hope to master.

His promises will amount to little unless he follows through quickly to strengthen bills in Congress designed to protect credit card customers.

The president said after meeting credit card executives on Thursday that he and his economic team recognize the need for credit cards, especially in a tough economy. Small businesses often depend on the cards to order goods or meet the payroll. And consumers have learned to enjoy instant credit at the checkout counter. But as a longtime user of credit cards himself, Mr. Obama told banking executives that it is time to reform this area of their business.

He demanded stronger protections against unfair rate increases and abusive fees along with more oversight and enforcement. He called for clarity. He wants contracts written in plain language, minus fine print or ''anytime, any reason rate hikes.'' He wants people to be able to comparison shop online, with one option being ''a plain-vanilla, easy-to-understand, simplest-terms-possible'' card for the average user.

Credit card operators have long resisted such reforms, and earlier experiments with self-policing resulted in very spotty improvements. After complaints from cardholders who felt tricked by their banks, the Federal Reserve last year proposed several useful changes that will not, unfortunately, take effect until July 2010.

There's a better way to help consumers. A credit card bill of rights proposed by Democratic Representatives Barney Frank of Massachusetts and Carolyn Maloney of New York would codify many of the Fed's rules into law. It would ban interest rate increases on existing balances unless payment is more than 30 days late, and it would forbid ''double-cycle billing,'' which means charging interest on debts paid off the previous month.

It would also require 45 days' notice for a rate increase in most cases. An even stronger bill by Senator Christopher Dodd of Connecticut would make it harder for people under the age of 21 to get cards, far too many of whom now think plastic is simply another form of cash. It would also require creditors to apply a cardholder's payment to the balance with the highest interest rate. So far, these reforms face fierce Republican opposition, especially in the Senate.

If the president is really serious about credit card relief, he could pressure Congress to end some of the industry's worst tricks right now. Remember when credit card limits caused great embarrassment at the restaurant? These days, many cards allow the overcharge, sparing the embarrassment but socking the customer with a large fee at billing time. One solution would be to offer consumers the choice if a real ceiling that renders cards unusable above that limit.

Mr. Obama has spent a lot of time and energy trying to save the banks. He and Congress must also do more to spare their customers.

Our amendment would require credit cardholders to opt in to receive over-the-limit protection on their credit card in order for a credit card company to charge an over-the-limit fee. Additionally, the amendment allows for transactions that go over the limit to be completed for operational reasons as long as they are of a small amount. But the credit card company is not allowed to charge a fee.

□ 1245

For far too long, credit cardholders have been alone in the fight to bring reasonable standards back to credit card practices. With the passage of this amendment and the underlying bill, the Credit Cardholders' Bill of Rights, consumers will be treated more fairly by credit card issuers and will be better able to manage their accounts.

I urge a ''yes'' vote on this amendment.

I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I claim time in opposition.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Chairman, here we go again taking choices away from the people that use credit cards, a very valuable tool for their personal finances. Just imagine, you are at a banquet or someplace and you give the maitre d' your credit card. Now you go over there and they put the credit card in, and it comes back rejected.

And you face the embarrassment of that, and you have called the credit company and you find out, well, you didn't opt into a service that we provide, and so we don't provide you the opportunity to go over your line of credit. You said, Well, how much was I over my line of credit? Well, I was over by $4.

What we find today, according to the American Bankers Association, 99 percent of the people opt in or avoid opting out because they like that valuable service that they have.

So, again, what we would have here is a situation where people may not even know that this service is available to them. Maybe they are making their utility bill payment and they find out that their card was rejected because they didn't have this service. It's 2 or 3 weeks before they get a notice from their utility company and find out that their utilities are about to be shut off.

Now, this is a system that is really not broken. In fact, the Federal Reserve, in their study, when they looked at these regulations, looked at that issue, decided to leave it alone, found out it was working extremely well.

Again, we are micromanaging this process. And the big losers aren't going to be the credit card companies, who, I think, as a lot of people are trying to attack with this bill, the big losers are going to be the consumers that rely on that very valuable service.

So I am in strong opposition to the gentlewoman's amendment and urge my colleagues to vote ''no.''

I reserve the balance of my time.

Mrs. MALONEY. I yield the balance of my time to my good friend and colleague and coauthor of this amendment, along with the administration, DIANE WATSON.

The Acting CHAIR. The gentlewoman from California is recognized for 3 minutes.

Ms. WATSON. Mr. Chairman, I rise today in enthusiastic support for the Maloney-Watson amendment to H.R. 627.

I would like to thank her deeply for her leadership on the bill and for allowing me to join with her in her amendment.

This amendment will increase the level of fairness in the relationship between constituents and their credit card companies by limiting the ability of credit card companies to authorize transactions in excess of a consumer's credit limit.

Without this amendment, consumers have to go out of their way to opt into an election program to stop their credit card company from authorizing over-the-limit transactions, which incur additional fees and indebtedness. This amendment will strengthen the bill by only allowing credit card companies to authorize over-the-limit transactions for consumers who specifically request the ability to do so.

I urge my colleagues to vote ''yes'' on this amendment to ensure American consumers are spared from additional unwanted fees and debts.

Mr. NEUGEBAUER. May I inquire how much time I have remaining.

The Acting CHAIR. The gentleman has 3 minutes.

Mr. NEUGEBAUER. I yield the balance of my time to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

I listened to the gentlelady from New York, who sponsored the bill, talk about this is a trick that credit card companies use.

Well, we don't want credit card companies to use tricks. But, you know what, Mr. Chairman? They can't use tricks if we will strengthen the competitive market and ensure consumer choice. They can't use tricks if we have an elective disclosure and we police it.

Again, I congratulate the gentlelady for that title in her bill, which, I believe, roughly parallels the rules that the Federal Reserve has promulgated after their 3-year study. Indeed, we need better disclosure.

It's better disclosure we need. We need greater consumer choice. We need strength in markets.

Also, tricks can't be used if consumers, who have effective disclosure, will take some, some responsibility to know the terms that they are agreeing to. By definition, if they agreed to accept a credit card, they are opting into terms.

Now, that's not effective today because we don't have effective disclosure. But ostensibly we have a title in this legislation, which I assume will soon be passed. If not, we have the regulations of the Federal Reserve that will ensure that we have effective disclosure, that we empower consumers.

But let's not take their choices away from them, especially when all the evidence we have seen, anecdotal, statistical, tells us that consumers overwhelmingly want this option. They want it.

So if we are already admitting today in some respects that the disclosure isn't there, you know, I don't want to have to tell them that, I am sorry, they wouldn't accept your credit card, but, you know, Congress passed a law that said you had to go read the fine print before you could go get this particular service. Again, I think that we are taking away consumer choice by doing this.

As the gentleman from Texas said, we are trying to micromanage the terms that ought to be managed within the framework of a competitive marketplace, with consumer choice, with informed consumers, with effective disclosure.

But quit protecting consumers from their choices. Quit protecting them from competition. You are making their lot worse, not better, when you do this.

So I would urge rejection of this amendment.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from New York (Mrs. MALONEY).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. NEUGEBAUER. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from New York will be postponed.

AMENDMENT NO. 9 OFFERED BY MR. HENSARLING

The Acting CHAIR. It is now in order to consider amendment No. 9 printed in House Report 111–92.

Mr. HENSARLING. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. HENSARLING:

In subsection (b) of section 127B of the Truth in Lending Act (as added by section 2(b) of the bill), insert after subparagraph (D) the following new subparagraph:

''(E) TRANSPARENT ADVANCED NOTICE OF RATE INCREASE.—Notification of the increase is provided to the consumer in writing, in clear and conspicuous language, at least 90 days before the increase is scheduled to take effect, provided that the applicability of this exception is fully described to the consumer in their contract and at least once annually thereafter, in a clear and conspicuous manner.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a fairly simple amendment that is aimed, again, at a form of embedded price controls within this legislation.

The underlying legislation would permit interest rates to rise on existing balances under four narrow options. This amendment would say, again, within the framework that we hope to achieve of protecting the competitive marketplace, of assuring that we have effective disclosure, this amendment would say that interest rates can vary as long as, number one, the issuer has specifically reserved the right to raise rates in its contract and has communicated that to the consumer.

Number two, the issuer communicates this fact to the consumer at

least once a year, and the issuer provides the consumer clear notification 90 days in advance.

Again, this is a facet of risk-based pricing. Now, many of us believe that this has been a good thing. It has empowered consumers who previously didn't have access to credit to have access to credit.

As their circumstances change, if you do not allow risk-based pricing, you are going to take credit opportunities away from them in the middle of a credit crunch when they need it most.

Now, this gives a reasonable time period of 90 days to say, you know what? If you don't want to have this card, you have got 90 days under the old interest rate to pay off this balance and either get rid of the card, find a new card, shop for a new card, do something.

But, ultimately, if we don't pass this amendment one of three things is going to happen. Again, we are going to have a bailout, yet another bailout from Congress. And that is the 50 percent of Americans who are paying their bill on time, making at least the minimum payment at the end of each month, they are going to be punished. They are going to have to subsidize the rates for all.

Again, it's a facet of eroding risk-based pricing that takes us back to an era where interest rates were 25 percent higher, everybody had to pay the same rate. The good credit risk had to subsidize the bad credit risk and everybody had this dreaded annual fee of 20 to $50.

We don't want to go back to that era. Assuming a competitive marketplace, and, unfortunately, this legislation, I believe, in some respects will result in a less competitive marketplace, I fear that some of the smaller issuers will be driven out of the market.

But if we can have a competitive marketplace, and if we can assure effective disclosure, then let's have the full benefits of risk-based pricing. I think some people just don't want it. They want to force those who pay their bill on time to somehow subsidize those who don't.

I fear, Mr. Chairman, that there is a lot at stake here. I mean, I hear from my constituents about how important the credit cards are to their lives, their small businesses.

I hear from a group, the family, Baker family of Rowlett, who said, ''Congressman, credit cards have been my main source of financing for my small businesses for the past 13 years. Without access to this type of instant credit, I would not be able to timely meet payroll.''

I mean, we have to help the small businesses.

I heard from the Weldon family of Garland. ''I use my credit card just about everywhere. When I receive my monthly credit card bill, I pay the full balance. I feel this legislation concerning credit cards would be unfair to me and others who prefer to pay off their credit cards each month. Why should we be punished for having good credit?''

Indeed, Mr. Chairman, it is a good question. Allow risk-based pricing. Don't take credit away.

I reserve the balance of my time.

Mrs. MALONEY. Mr. Chairman, I claim time in opposition to the amendment.

The Acting CHAIR. The gentlewoman from New York is recognized for 5 minutes.

Mrs. MALONEY. Mr. Chairman, I yield myself such time as I may consume.

The amendment seeks to gut all of the consumer protections of the bill as long as the credit card company gives the cardholder 90 days' notice that they are going to do it. This is the exact same amendment that was defeated in the committee with unanimous opposition from the Democrats on the committee, and even a few Republicans voting in opposition.

Allowing issuers to raise interest rates retroactively for a new reason is just creating a loophole for issuers.

The bill allows issuers to impose retroactive interest rates if the cardholder fails to pay or pays 30 days late, which is the time commercial contracts deem late.

So if an issuer is harmed, they have a remedy. In the absence of harm, it's hard to see why we would give the issuer the unilateral right with 90 days' notice to raise the rate retroactively and change the deal with the cardholder.

A deal should be a deal. They shouldn't have these opportunities to change them.

As the Federal Reserve found, and this is important, this is a Federal regulator, the Federal Reserve found most retroactive rate increases are, and I quote, from the Federal Reserve, ''unfair and deceptive.''

In our current mortgage reform discussions, we are trying to mitigate losses by making sure borrowers can repay their loans. Retroactive rate increases do the opposite. They slam borrowers with increased debt and make it less likely that they will be able to repay and pay down the balance.

I believe the best defense against the concerns raised by my colleague is the use of sound underwriting standards by the issuers.

Additionally, nothing in the bill prohibits an issuer from lowering the credit line or canceling the card if they are worried that the cardholder will not repay.

□ 1300

The bill also allows for fees if a customer does not pay on time, for 30 days, or has their check returned. Sound underwriting and these risk mitigation tools will be far more effective in fighting the concerns the gentleman is talking about.

I would say this amendment basically guts the protections that are in the bill that have been endorsed by 54 editorial boards and endorsed by numerous regulators, including the Federal Reserve, and this simply creates a new loophole. I am deeply opposed to it, as was the committee in the committee vote with Republicans' votes.

Mr. Chairman, I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I yield myself the balance of my time.

The Acting CHAIR. The gentleman is recognized for 1 minute.

Mr. HENSARLING. Mr. Chairman, I tried to listen very closely to the gentlelady from New York, and what I think I heard was she would rather credit card companies cancel credit cards than allow my constituents to voluntarily agree to increases in their interest rate. That is not what the people of the Fifth District want to achieve. When she says, well, the credit card people are changing the deal, if it is in the agreement, that is the deal. That is the deal that allows many people to get credit in the first place and allows other people to have lower-priced credit.

Again, I believe this legislation is changing the deal on the American people, taking away their credit card options and opportunities.

I heard from the Juarez family in Mesquite. ''I oppose this legislation, as I have utilized my credit cards to pay for costly oral surgeries. I do not want to get penalized by this legislation for making my payments on time.''

Taking away risk-based pricing, which is disclosed, disclosed in the agreement, is punishing, punishing people like the Juarez family in Mesquite. I urge adoption of the amendment.

Mrs. MALONEY. The Federal Reserve's report on the rule they proposed, which was very similar to the bill, in it they said that disclosure in their studies was not enough; that the practices were so deceptive it was hard for many consumers to understand them and the contract is so complicated and the fine print so small that most people don't even read it. So to build in another loophole undermines the whole purpose of the bill.

This amendment was killed in the committee, and I urge my colleagues to kill it again. It should be Black Flag dead, because it guts the bill and the protections that we are trying to put in place to protect America's consumers.

I yield back the balance of my time, and I urge a ''no'' vote on this amendment.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The amendment was rejected.

AMENDMENT NO. 10 OFFERED BY MR. HENSARLING

The Acting CHAIR. It is now in order to consider amendment No. 10 printed in House Report 111–92.

Mr. HENSARLING. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. HENSARLING:

In subsection (b) of section 127B of the Truth in Lending Act (as added by section 2(b) of the bill), insert the following new paragraph after paragraph (1) (and redesignate the subsequent paragraphs accordingly):

''(2) NONAPPLICABILITY TO CERTAIN CREDITORS WHO MAKE AVAILABLE ALTERNATIVE CARD OPTIONS.—The limitations on retroactive rate increases and universal default shall not apply to any creditor that offers a credit card account to consumers under an open end consumer credit plan to the extent such creditor—

''(A) makes at least 1 credit card option available to 100 percent of the creditor's existing consumers that does not feature retroactive rate increases or universal default billing practice; and

''(B) provides clear and conspicuous notice of the availability of a credit card option referred to in subparagraph (A) to the consumer customers of such creditor at least once annually.''.

In subsection (e) of section 127B of the Truth in Lending Act (as added by section 3(a) of the bill), insert after paragraph (3) the following new paragraph:

''(4) NONAPPLICABILITY TO CERTAIN CREDITORS WHO MAKE AVAILABLE ALTERNATIVE CARD OPTIONS.—The limitation on double cycle billing shall not apply to any creditor that offers a credit card account to consumers under an open end consumer credit plan to the extent such creditor—

''(A) makes at least 1 credit card option available to 100 percent of the creditor's existing consumers that does not feature double cycle billing; and

''(B) provides clear and conspicuous notice of the availability of a credit card option referred to in subparagraph (A) to the consumer customers of such creditor at least once annually.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the underlying legislation here again seeks to erode the ability of consumers to access credit, especially those who may have checkered pasts, especially those who may be of low income. It does it by trying to restrict risk-based pricing.

Again, there was an era in our country's history where a third fewer people had access to consumer credit through credit cards. Everybody had to pay the same universal high rate, 25 percent more than what we are seeing today. We had the dreaded annual fees. There was no such thing as airline miles, cash back, any of this.

The ability for creditors to price for what they view the risk of the consumer has opened a market for people to have credit cards who previously couldn't have them, people who might have had to turn to pawn shops or payday lenders, who, again, serve very valuable functions in our society, but people ought to have options.

The underlying bill functionally outlaws a practice called universal default and a practice called double-cycle billing. Universal default doesn't offend me. Double-cycle billing offends me. But I don't feel a need to outlaw every practice in America that offends me personally, because it may not offend somebody else.

Mr. Chairman, if there is an option out there in the marketplace with 14,000 different issuers, and through every hearing, every markup, there was not one shred of evidence that we didn't have a competitive market and that consumers had choices. Now, they may not understand their choices, and that is the disclosure issue, but they have choices.

So I don't like double-cycle billing. I don't think it is particularly fair and I wouldn't choose a credit card with it. But, Mr. Chairman, you know, out there in the marketplace, people ought to have options. Somebody ought to be able to say I prefer to have a credit card with a 10 percent interest rate that has universal default and double-cycle billing in it as opposed to paying a 13 percent interest rate that doesn't have universal default, doesn't have double-cycle billing.

Why are we taking consumer choices away from them and why do we continue to contract credit when it is already being contracted in this economic recession? I just don't understand that, Mr. Chairman. I do not think it is good practice. Now, universal default, some cards use it, some cards don't. It is a risk management tool for some.

I am not in the credit card business. I don't know what works. I just want consumers to have choices. I want there to be a competitive marketplace. I want there to be effective, fair disclosure, and I want our Federal Government to police it. And there needs to be repercussions for credit card companies that defraud, that mislead, that use deceptive practices. But for us to come in and say subjectively, well, we don't like that practice, we think it is unfair, we think it is offensive. Well, maybe it is unfair and offensive to you, but if it allows somebody a lower interest rate, shouldn't in the land of the free they have that option? They should have that option.

So my amendment is a simple one. It simply says if a credit card company has a credit card and they want to offer this credit card that features either universal default or double-cycle billing, as long as they offer a card that doesn't have these features, which many consider to be unfair, unjust, then they can offer it. As long as all of their customers are offered a card without the feature, then a consumer, if they want to, can opt in to the card with these features if they think the trade-offs benefit them and their family. That is all it says. This is a consumer choice amendment, pure and simple. I urge its adoption.

I reserve the balance of my time.

Mr. GUTIERREZ. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from Illinois is recognized for 5 minutes.

Mr. GUTIERREZ. I yield myself such time as I may consume.

I oppose this amendment because it would essentially allow credit card insurers to circumvent most of the consumer protections in this bill, such as double-cycle billing and retroactive pricing increases, by simply making available one card that does not have these practices.

The key to this amendment is that credit card companies will not be required to offer the cards to consumers that do not include predatory practices. In other words, consumers with the highest credit scores, those that have the ability to pay and the greatest assets and income, will get the good card, the one without double billing, without retroactive price increases, and those with low credit scores will get the subprime cards that include the very deceptive practices that this bill was intended to stop. That is why I have to be in opposition to this.

It is almost as though we went through this for nothing. Allow this amendment to pass, and most of the work we have done in protecting consumers is undone.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I yield myself the balance of my time.

The Acting CHAIR. The gentleman is recognized for 45 seconds.

Mr. HENSARLING. Mr. Chairman, again what I see is we are trying to protect consumers from their choices. We are trying to protect consumers from their freedom. The consumer has the option. But I do thank my friend, the distinguished chairman of the subcommittee, for adding some clarity to the debate when he says the people with the good credit ratings will get the better interest rate. That pretty well makes my bailout argument.

That is what is happening. Half of America pays their bill on time at the end of each month. Another 20 to 25 percent at least make the minimum payment. Why should they be punished? Why should they be punished with higher interest rates? Why do they have to be homogenized?

We are getting away from risk-based pricing, and what will happen if we don't pass this amendment is, number one, we will achieve the bailout, and many people who would have received credit will no longer receive credit. I urge adoption of the amendment.

Mr. GUTIERREZ. I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. I thank the gentleman for yielding.

This is an amendment that Congressman HENSARLING offered both at the subcommittee and the full committee markups, and it was defeated both times by unanimous Democratic opposition, with even a few Republican votes in opposition to it.

Essentially what this amendment attempts is to create significant exceptions to the consumer protections offered by the underlying legislation and the final rule that was adopted by the Federal Reserve, the Office of Thrift Supervision and the National Credit Union Administrator. These three regulators have called the practices that my colleague would attempt to exempt unfair, deceptive and anticompetitive. Why would anyone in this body want to continue unfair, deceptive and anticompetitive practices? Even competition of the free market, they are saying it is anticompetitive.

I would like to point out during some of the many hearings and meetings and seven hearings that we held on the topic in the last several years, we frequently heard from academics, from regulators, that disclosure is not enough. It is too confusing. It is deceptive. Most consumers do not read the contract, they do not understand the contract, and it is worded in a way that is deceptive.

The President called for a plain vanilla card that people could understand. What this card would be that he is proposing is toxic. It would continue the bad practices and defeat the whole purpose of the bill. This amendment would create a subclass of credit cardholders who would have little to no rights.

The bill provides baseline consumer protections that everyone should enjoy. The last thing we should be doing is creating exceptions or subsets that would allow these abusive practices to continue.

It is abusive. It is wrong. This amendment should be killed Black Flag dead.

Mr. GUTIERREZ. Mr. Chairman, I yield myself the balance of my time.

The Acting CHAIR. The gentleman is recognized for 1½ minutes.

Mr. GUTIERREZ. First of all, let me suggest to the gentleman from Texas (Mr. HENSARLING) that this bill is not going to prohibit credit card companies, once it is passed, to extend lines of credit at lower interest rates to those who have higher credit scores. It is just not going to do it. They will still be able to do that.

When he suggests to us that this is a choice, this is an option, there are some options and some choices we should stand up against, and this is one of those choices and one of those options, because it is going to affect those that cannot read. I am sure the gentleman would never suggest that consumers understand every point of the fine print on that credit card. It is going to be hidden there. And the Federal Reserve Board has said to us it is bad practices. It is predatory. It is not fair to simply give notice.

Lastly, look, all we are saying is, yes, we are stopping credit card companies and we are stopping consumers from having the ''choice,'' we like to suggest the ''harm'' of a credit card company being able to give you 90 days' notice and say, you know the $1,000 you took last year at 18 percent? They can say, for the whole last year that you have paid it, we are going to go retroactively and double that interest rate, and we want the money, although you have made all of the payments all year long on time, we are going to double the interest rate. Give me more money.

That is fundamentally unfair, to retroactively go back and claim money just because you can, just because you sent somebody a 90-day notice.

I urge everybody to vote against this amendment.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The amendment was rejected.

□ 1315

AMENDMENT NO. 11 OFFERED BY MR. MINNICK

The Acting CHAIR. It is now in order to consider amendment No. 11 printed in House Report 111–92.

Mr. MINNICK. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. MINNICK:

In paragraph (2) of section 127B(a) of the Truth in Lending Act (as added by section 2(a) of the bill, strike ''14th'' and insert ''7th''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Idaho (Mr. MINNICK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Idaho.

Mr. MINNICK. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chair, H.R. 627 requires a creditor to provide a consumer at least 45 days' notice before increasing the consumer's credit card rate. However, in this bill the higher interest rate taking effect on day 45 applies only to the extent that the consumer's balance is more than it was at the end of 14 days after receiving the notice.

However, determining the protected balance as of day 14 may still provide enough time for consumers to incur higher overall debt than may be appropriate for them by inflating the balance that will be protected from the rate increase and, in the process, allow consumers to game the system at the expense of creditors.

This amendment would provide that the amount of the balance protected from the higher interest rate be set at the 7-day mark, instead of at 14 days. This change would still give consumers the full 45 days to shop for an alternative source of credit for a better deal, but it would reduce their ability to inappropriately inflate their balances to avoid the application of the higher rate in the event that they do not transfer their balances to another card by that time.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, we have no one to claim time in opposition.

Mr. MINNICK. Mr. Chairman, I ask that my colleagues support this amendment. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Idaho (Mr. MINNICK).

The amendment was agreed to.

AMENDMENT NO. 12 OFFERED BY MR. PRICE OF NORTH CAROLINA

The Acting CHAIR. It is now in order to consider amendment No. 12 printed in House Report 111–92.

Mr. PRICE of North Carolina. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. PRICE of North Carolina:

After section 8, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 9. ENHANCED MINIMUM PAYMENT DISCLOSURES.

Paragraph (11) of section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)(11)) is amended to read as follows:

''(11) MINIMUM PAYMENT DISCLOSURES.—

''(A) MINIMUM PAYMENT WARNING.—A written statement in the following form: 'Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance.'.

''(B) INFORMATION ON OUTSTANDING BALANCE.—Not less than once per calendar quarter, such billing statement shall also include repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(ii) the total cost to the consumer, including interest payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 12 months, 24 months, and 36 months, if no further advances are made, and the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays the balance over 12, 24, or 36 months, respectively; and

''(iv) a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services.

''(C) EXCEPTION TO REQUIREMENTS OF SUBSECTION (B).—The quarterly disclosure requirements in subsection (B) shall not apply with respect to—

''(i) a calendar quarter if, in the 2 consecutive billing cycles preceding the end of such quarter, a consumer has paid the entire balance of the bill in full;

''(ii) a calendar quarter if, at the end of the calendar quarter, a consumer has an outstanding credit balance of zero or has a positive credit; or

''(iii) any class of consumers for which the Board has determined will not benefit substantially from additional disclosures.

''(D) APPLICABLE RATES TO BE USED IN DISCLOSURES.—

''(i) IN GENERAL.—Subject to clause (ii), in making the disclosures under subparagraph (B), the creditor shall apply the interest rate or rates in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

''(ii) SPECIAL RULE IN CASE OF TEMPORARY RATE.—If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.

''(E) FORM AND PROMINENCE OF DISCLOSURE.—All of the information described in subparagraph (B) shall—

''(i) be disclosed in the form and manner which the Board shall prescribe, by regulation, and in a manner that avoids duplication; and

''(ii) be placed in a conspicuous and prominent location on the billing statement in conspicuous typeface.

''(F) TABULAR FORMAT.—In the regulations prescribed under subparagraph (D), the Board shall require that the disclosure of such information shall be in the form of a table that—

''(i) contains clear and concise headings for each item of such information; and

''(ii) provides a clear and concise form stating each item of information required to be disclosed under each such heading.

''(G) LOCATION AND ORDER OF TABLE.—In prescribing the form of the table under subparagraph (E), the Board shall require that—

''(i) all of the information in the table, and not just a reference to the table, be placed on the billing statement, as required by this paragraph; and

''(ii) the items required to be included in the table shall be listed in the order in which such items are described in subparagraph (B).

''(H) SUBSTITUTION OF TERMINOLOGY.—In prescribing the form of the table under subparagraph (D), the Board may employ terminology which is different than the terminology used in subparagraph (B), if such terminology is more easily understood and conveys substantially the same meaning.

''(I) 'ROUNDING' REGULATIONS.—For purposes of determining whether an error in the disclosures required by subparagraph (B) constitutes a legal cause of action against a creditor or any other party, the standard referred to under the heading 'Rounding assumed payments, current balance and interest charges to the nearest cent' in the publication by the Board in the *Federal Register* (74 F.R. 5385) on January 29, 2009, of the final regulation revising part 226 of title 12 of the Code of Federal Regulations (Regulation Z), or a standard that affords substantially similar protections as determined by the Board, shall apply for purposes of the determination with regard to such disclosures.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from North Carolina (Mr. PRICE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. PRICE of North Carolina. Mr. Chairman, I yield myself 1 minute.

Minimum payment practices, which often are deceptive at best and abusive at worst, clearly contribute to the problem of unmanageable debt. And they need to be reined in. That's exactly what the Price-Miller of North Carolina-Moran of Virginia-Quigley-Stupak-Sutton-Lowey amendment will do. Our amendment would ensure that consumers receive a warning of the risks of making only the minimum monthly payment and information on the total cost of paying only monthly minimum payments on their balance.

It would also require issuers to provide quarterly assessments of the monthly payments that must be made to pay off the current balance of the consumer in 1, 2 or 3 years. And it would establish consumer credit counseling and debt management services through a toll-free telephone number.

Let me assure colleagues, we've sought to ensure that these requirements are not too onerous for credit card companies. For example, disclosure requirements target only consumers who regularly have not paid their balances in full. Our amendment will help consumers regain control of cascading credit card debt.

So I urge colleagues to support this amendment to provide American families with the tools they need to help them manage their money effectively.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, we have no one to claim time in opposition.

Mr. PRICE of North Carolina. Mr. Chairman, I yield 1 minute to my colleague from North Carolina, who has served with distinction on the Banking Committee, BRAD MILLER.

Mr. MILLER of North Carolina. Mr. Chairman, about 35 million Americans just pay their monthly payment, the minimum monthly payment on their credit card every year. And some of the opponents of this bill may have very little sympathy for families that are deep in debt. But as our economy has produced billionaires who have done nothing of any conspicuous value to society, there are millions of American families that are working very hard and struggling to get by, and it is very tempting when they're doing triage with their bills and they know they can't pay everything, for their eye to skip down to the minimum monthly payment and just pay that. This bill makes sure they know what the consequences of that are. This amendment makes sure. It informs them of what kind of debt they're going to be in, how much it's going to cost them in interest, how long they're going to be in debt, how deep the hole will be, and what it is going to take to get out.

I applaud Mr. PRICE for his efforts. And I urge all Members to vote for this amendment.

Mr. PRICE of North Carolina. I thank my colleague. I would like at this point to yield 1 minute to a new colleague, Representative QUIGLEY, who is already distinguishing himself as a protector of the consumer.

Mr. QUIGLEY. I rise in strong support of this amendment because today the average American can apply for a credit card anywhere, at a grocery store, at an airport, a ballpark, even college campuses. It all seems so easy.

Unfortunately, the terms of the agreements aren't so easy. In some cases, terms have become so complicated that the average consumer cannot always know what they've gotten themselves into.

Now more than ever, Americans are turning to their credit cards to get them through the end of the month, and in turn, the U.S. credit card debt has reached an all-time high.

Meanwhile, almost half of Americans carry a balance and have no idea how long it'll take to pay that down. The Credit Cardholders' Bill of Rights will protect consumers from predatory practices, and this specific amendment will give them the ability to pay down their debts.

I urge my colleagues to vote ''yes'' on this amendment and the underlying bill.

Mrs. LOWEY. Mr. Chair, I rise in strong support of the amendment, of which I am a cosponsor.

The amendment would require additional disclosure information on credit card statements. While most cardholders know it takes a great deal of time to pay off a balance by making only the minimum payment, most do not understand the total additional costs they will pay. This amendment would change that.

Based on industry norms of an 18 percent APR and 4 percent minimum payment requirement, a cardholder will spend 87 months and $1,515 paying off a balance of $1,000 if making only the minimum payments. The finance charges are more than 50 percent of the actual balance.

Our amendment would require that each statement have a warning on minimum payments and that every quarter, cardholders receive a statement that lists the number of months it would take to pay the entire balance if only the minimum payments are made, along with the total cost of doing so. Those statements would also have to list the necessary payment to pay off the balance in 12, 24, and 36 months, as well as a toll-free number to receive information about accessing credit counseling and debt management services.

Credit cardholders have a right to know the real cost of making only minimum payments. For that reason, I urge your support for the amendment.

I would also like to voice my strong support for the underlying bill. In recent months, Congress has been dominated by rescue and economic recovery legislation. But there are few better ways to instantly help hard-working Americans than to end costly, abusive credit card practices.

For too long, banks have saddled cardholders with deceptive marketing and fine print. The New York Consumer Protection Board reports that credit card complaints comprise more than a quarter of those it receives, and cards with debt have an average balance of $5,700.

Because of unfair practices, one hidden fee snowballs into ballooning interest rates and thousand dollar balances that many families struggling to get by with today's economic challenges cannot afford.

I regret that the Rules Committee did not make in order an amendment I submitted that would have applied the protections in the bill to credit cards issued to small businesses. However, this is an excellent bill that I am proud to cosponsor, and I urge your support.

Mr. MORAN of Virginia. Mr. Chair, I am pleased to be a cosponsor of Representative PRICE's amendment to H.R. 627. This is an issue on which I have worked for a number of years, so I am honored to be able to join my friend and colleague, and to urge adoption of this critical consumer protection amendment. This provision is a valuable disclosure amendment which would call for card issuers to provide three very important pieces of information to cardholders at least once per calendar quarter on their billing statements.

First, the statement would report how long it would take the cardholder to pay off the entire balance if only the minimum monthly payment is paid.

Second, the statement would report the total cost to the consumer of only making the required minimum payments, with a breakdown of the resulting principal and interest shares of the total cost.

Third, the statement would report the estimated monthly payments required for the consumer to pay off the entire balance in a period of 12, 24 and 36 months.

This is important for the more than 100 million households with revolving loan credit of nearly $1 trillion according to the Federal Reserve, who have average credit card debt of $7,430—particularly middle- and low-income families, who are carrying record amounts of debt—both in absolute value and as a share of their total income—and who often don't realize they are digging themselves further into debt as they make their minimum monthly payments. With the average credit card debt per card-holding household carrying a balance of $17,103, some 49.7 million do not pay their balance in full every month. We need to make sure there is simple and clear information for these families.

In 2007 alone, there were 5.2 billion credit card solicitations mailed, a average of 36 per household. Just plain truth in disclosure warrants this important change to ensure that any family fully understands what is at stake.

I stand in support of both H.R. 627 and this amendment to it, which will require the disclosure of information to consumers that will help them to make more informed choices and to better plan their finances and thus their futures.

Mr. PRICE of North Carolina. Mr. Chairman, I yield back my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from North Carolina (Mr. PRICE).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MR. GUTIERREZ

The Acting CHAIR. It is now in order to consider amendment No. 13 printed in House Report 111–92.

Mr. GUTIERREZ. Mr. Chairman, on behalf of the gentlewoman from California (Mrs. DAVIS) I offer the amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. GUTIERREZ:

Insert after section 127B(c) of the Truth in Lending Act (as added by section 2(c) of the bill) the following new subsection (and redesignate succeeding subsections accordingly):

''(d) ADVANCE NOTICE OF ACCOUNT CLOSURE.—

''(1) IN GENERAL.—In the case of any credit card account under an open end consumer credit plan, a creditor may not close such account unless the creditor provides a written notice to the consumer at least 30 days before the closure takes place, and which notifies the consumer—

''(A) of the reason the account is being closed;

''(B) of any recourse that the consumer may take to prevent the account from being closed;

''(C) of any program under which the consumer may repay the balance on the account over a period of time; and

''(D) that if the consumer's account is closed, it may have an impact on the consumer's credit score.

''(2) EXCEPTION.—The requirements of paragraph (1) shall not apply in the case of a consumer request that the creditor close such account.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Illinois (Mr. GUTIERREZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. GUTIERREZ. It's a pretty simple amendment. It would require that credit card issuers notify credit cardholders 30 days before closing their accounts, the reason that the account was closed. They put it in writing; options to keep the account open; programs available to repay the balance, and the resulting impact on their credit score that this might have. It's a pretty simple amendment. It's very consumer-oriented. It allows for more transparency between those that issue the credit card and those that receive it.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I claim time in opposition.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Chairman, I'm somewhat uncertain, frankly, whether I am actually opposed to the underlying amendment. I think the intention is good. I just hope there's not an unintended consequence here. And so, if my friend from Illinois, the chairman of the subcommittee, would yield for a question, my concern would be this: We all know from our constituents how much identity theft is taking place in our society. I, myself, at one time have been victimized by identity theft; and many of our constituents have.

So if there is fraudulent activity, if identity theft is suspected, it at least would appear to me, in a reading of the amendment, that the credit card issuer would have to keep the account open for at least 30 days, and so I was concerned about its impact in trying to combat identity theft. That was my reading of the amendment.

And I'd be happy to yield to the gentleman from Illinois just to see if he could help explain how this would work.

Mr. GUTIERREZ. Well, let me just suggest the following: number one, I understand the gentleman's concern. And I think the amendment is a pretty good amendment, and I understand your concern.

I think we can kind of predict that you and I are probably going to the conference report once we get this, should this bill be successful, which, given precedent of last year, it looks very, very likely we're going to pass this bill here today. I've worked with you, I think, very well in the past, and obviously, I look forward to the coming years and working with you. Why don't we work out that in conference to make sure that that just doesn't happen and the consumer isn't harmed.

Mr. HENSARLING. Reclaiming my time, I certainly respect the gentleman from Illinois (Mr. GUTIERREZ). We do have an excellent working relationship. I don't know that this is a problem. I fear it may be a problem. Given his commitment that we can work on this at our conference, Mr. Chairman, I no longer oppose the amendment.

And I yield back the balance of my time.

Mr. GUTIERREZ. I yield to one of the sponsors of the bill, Mr. CARNEY from Pennsylvania, 2 minutes.

Mr. CARNEY. Mr. Chairman, I'm very glad to be able to offer this amendment with the gentlelady from California. It really is a commonsense amendment, and I do want to address the gentleman from Texas's concern that in the Truth in Lending Act it does protect banks from being victim to fraudulent accounts being opened. It doesn't cover that, but we will certainly work with the gentleman from Texas on language that would make him feel better about what we're talking about now.

Now, I've heard from a number of my constituents regarding credit card companies closing accounts in good standing for no reason other than inactivity. I'm sure many of us have constituents in the same position.

Despite the fact that you can use your credit card on just about anything anywhere, many people do that, but many people prefer to use cash. The part of Pennsylvania where I live is not a young area and it's not an urban area. We have traditional folks who like to use cash and don't like to put a lot of credit on their cards. They use the card for emergencies. They don't use it for sort of day-to-day expenses.

So not only were constituents and neighbors of mine surprised to be losing their credit card privileges, but they were concerned over potential harm to their otherwise great credit ratings due to card companies' desire to wipe inactive accounts from their books.

This amendment would protect people who supposedly underutilize their credit cards from forced closure of their accounts and negatively impacting their credit scores. It requires credit card companies to notify cardholders

at least 30 days in advance of an account closure. It also requires the card companies to tell cardholders that their account closure could adversely affect their credit rating. And it requires card companies to give cardholders guidance on how to appeal the issuer's decision to close the account. It's just a commonsense protection for cardholders. That's all it really is.

And as I addressed earlier, the gentleman from Texas has some concerns. We respect them, and as I mentioned, we're willing to work with him on that.

But in the end, I encourage all my colleagues to support this amendment.

□ 1330

Mr. GUTIERREZ. Mr. Chairman, how much time do we have left on our side?

The Acting CHAIR. The gentleman has 2 minutes remaining.

Mr. GUTIERREZ. I yield 2 minutes to the chief sponsor of the legislation.

Mrs. DAVIS of California. Mr. Chairman, I appreciate the time, and I certainly want to respond to my colleagues.

It's always possible to raise those kinds of concerns over fraud, and this is not intended to do that on the face of it, but we're willing to work with you, because the reality is that, if fraud is being committed, then these kinds of agreements wouldn't hold anyway, and the banks would certainly have a way of dealing with this.

The real concern here is letting consumers know what's going on with their accounts. If they have been in an experience—and we know there are many consumers who have been—where card accounts that are not being used very often are closed and where they don't know about it, then their credit scores are affected. That's one of those surprises that comes along that people aren't expecting.

This is an attempt to be transparent about it and to give people, really, the opportunity to be able to respond and to work out whatever problem exists and to move on. So we appreciate the opportunity to put this in what I think is some very important legislation.

Mr. Chairman, today Mr. GUTIERREZ, as my designee, offered a common sense amendment to H.R. 627—The Credit Card Bill of Rights Act.

This amendment warns consumers of possible reductions to their credit scores.

Currently, credit card companies are not required to notify a consumer when they decide to close an account.

Often, consumers do not know that their accounts are being closed until after the fact.

Because of the way credit scores are calculated, account closures can lower a consumer's credit score, sometimes significantly.

A reduction in a consumer's credit score can hamper his or her ability to buy a car or home, start a business, or pay for college.

Especially in today's tight credit market, a solid credit score is more important than ever.

A large number of consumers have no idea that the mere closure of a credit card can adversely impact their credit scores.

Imagine saving for a home only to discover your credit score is too low for a mortgage because of an account closure.

Consumers do not get a chance to prepare and plan their finances accordingly. This is an issue that affects all consumers and not just the elderly retiree in San Diego who first brought this to my attention.

It affects teachers, firefighters, doctors, and our men and women in uniform.

I ask unanimous consent to enter into the RECORD a recent article in the Wall Street Journal detailing this problem for consumers across the country.

The amendment Mr. GUTIERREZ offered on my behalf would require credit card companies to give consumers a 30-days advance notice that their accounts are being closed.

Within this notice, the card issuer must also include:

The reason why the account is being closed;

Options the consumer has to keep the account open;

Programs available for the consumer to repay their account balance over time;

And the fact that an account closure may impact the cardholder's credit score.

This amendment is really about informing consumers so they are not caught by surprise.

We believe that consumers have a right to know when their credit scores may be lowered so they can plan their finances accordingly.

This amendment has been endorsed by a broad coalition of consumer groups including the Center for Responsible Lending, Consumer Federation of America, and U.S. PIRG.

I thank Congressman CARNEY for all the hard work he has put into this amendment. It has been a pleasure working-With you and your office in this effort.

I urge the adoption of this amendment.

[From the Wall Street Journal, Mar. 11, 2009]

CREDIT CARD ISSUERS: BUY SOMETHING OR ELSE!

(By Kelli B. Grant)

One of the biggest causes of the financial crisis was that Americans were borrowing (and spending) more money than they could afford to pay back.

So how are credit-card issuers reacting to consumers' attempts to live a more financially responsible lifestyle? They're threatening to cut their credit cards off if they don't spend enough.

Loretta Maxwell of Troy, Mich., thought her credit score of 790 buffered her against most of the fallout of the credit crunch. When Chase closed her $6,000-limit card in December without warning after two years of inactivity, she called to fight it. She was unsuccessful. ''If you're not using it, they entice you to do so, and then the moment you don't spend enough, they cut your limit,'' she says. (Chase says it is standard practice is to review inactive accounts. ''Inactive cards with large open credit lines present a real risk of fraudulent use and large potential liabilities for Chase,'' says spokeswoman Stephanie Jacobson.)

Maxwell's experience is far from an isolated incident. Most major issuers, including Chase, Bank of America, American Express and Citibank have been slashing credit lines and closing the accounts of those who don't spend on their card regularly. While these issuers are required to notify you in writing of an account closing, there's no requirement that they do so in advance. Even when they do give early notice, the only way a cardholder can stop their account from getting shut down is to start spending again.

In December, Discover reported that it closed three million accounts during 2008 due to inactivity, and plans to cull up to two million more. A Discover spokeswoman says the issuer is constantly reevaluating cardholder's credit and assessing whether they have the most appropriate credit line and product. Capital One is suspending accounts that have been inactive for at least a year, warning account holders they only have 60 days to redeem their rewards. ''Some of these accounts had literally never been used,'' says spokeswoman Pamela Girardo. A spokeswoman for Bank of America, meanwhile, says the bad economy prompted it to close accounts with zero balances that have been inactive for more than a year. American Express spokeswoman Lisa Gonzalez says it periodically reviews inactive accounts for cancellation. Citibank did not respond to requests for comment.

From a business perspective, cutting off certain customers is a smart financial move, says Sanjay Sakhrani, an analyst with investment bank Keefe, Bruyette & Woods. Closing rarely-used accounts lowers a card issuer's risk profile by keeping their potential liabilities (i.e., the amount of credit available they extend to cardholders) from outweighing their assets. Inactive accounts also cost the issuer money to maintain, without providing the benefit of income from interest or merchant fees, he says.

For consumers, however, closing accounts can be devastating—especially to their credit score. Your credit utilization ratio the amount of your debt in relation to the amount of your available credit—comprises 30% of your score, says Craig Watts, a spokesman for Fair Isaac Corporation, the company that calculates and issues the FICO credit score that most lenders use. So when an account is closed, you have less credit available to you—and the ratio immediately jumps higher. A person with a solid credit score of 720 or so, whose utilization ratio jumps from 35% to 75% after one of their accounts is closed is likely see their score drop by ''several dozen points,'' to somewhere in the 600s, he says. That's a far cry from the 760 (or higher) consumers need to get the best rates from lenders.

One thing that somewhat softens the blow is that FICO factors in closed accounts when calculating the longevity of your credit history, which accounts for 15% of your score. While lenders may make a note on your report indicating whether the account was closed by them or you, the information isn't used in the scoring formula, says Watts.

Ironically, an excellent credit score can actually serve as more of a bulls-eye than a shield, says Dennis Moroney, a research director and senior analyst for consulting firm Tower Group. He says banks figure they can limit cardholder backlash by targeting consumers with few debts and plenty of other accounts. That way, a closed account won't have as much of a detrimental effect on their creditworthiness.

Even years of loyalty and regular spending won't spare some cardholders. David Good of Houston, used to be devoted to American Express, with which he had two credit cards: an unlimited charge account and a $7,500 revolving account. Yet a solid credit score, eight years of on-time payments and fairly frequent purchases on the cards—including more than $100,000 last year alone—weren't enough to save his accounts. In December, Good received a written notice that the issuer had closed both due to ''low activity in the past six months.'' ''I was shocked,'' he says. ''They lost my trust, totally.'' (American Express declined to comment on Good's or any other individual's accounts.)

New Yorker Veronica Eady Famira was vacationing in Germany when she discovered that her $1,500-limit Delta SkyMiles card from American Express had been shut down. ''I must have spent $300 in cellphone charges

calling banks,'' she says. ''I was pretty stranded.'' Adding insult to injury, Famira had just earned a free companion ticket on the card valued at up to $400 for a domestic flight—now she can't redeem the ticket.

Mr. GUTIERREZ. Mr. Chairman, we yield back the balance of our time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. GUTIERREZ).

The amendment was agreed to.

AMENDMENT NO. 14 OFFERED BY MR. PERRIELLO

The Acting CHAIR. It is now in order to consider amendment No. 14 printed in House Report 111–92.

Mr. PERRIELLO. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. PERRIELLO:

In subsection (c) of section 127B of the Truth in Lending Act (as added by section 2(c) of the bill) insert after paragraph (2) the following new paragraph:

(3) MINIMUM TERM FOR PROMOTIONAL RATES.—In the case of a promotional rate, no written notice under paragraph (1) of an increase in any annual percentage rate of interest on any credit card account under an open end consumer credit plan shall be effective before the end of a 6-month period beginning from the date the promotional rate takes effect.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Virginia (Mr. PERRIELLO) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. PERRIELLO. Mr. Chairman, I yield myself such time as I may consume.

I rise today in support of my amendment requiring credit card companies to have a 6-month minimum period for promotional rates.

Credit card companies should not have the right to take advantage of consumers with their confusing policies. Today, the voices of accountability and common sense have a chance to fight back against many of the problems that got us into this economic mess in the first place. If you can't sell a product without tricks and traps, this is the kind of place where consumer protection must come in to ensure a well-functioning free market.

This is a simple amendment that represents the common sense that is greatly needed. Credit card companies should not be allowed to trick consumers around with short-term promotional rates that confuse them. A 6-month minimum is a reasonable period of time to expect these so-called ''teaser rates'' to last.

It also includes a 45-day notice before any rate change is implemented. Middle class Americans are facing difficult economic times, and many factors have caused the current economic crisis, but soaring debt is near the top of that list.

One group particularly targeted by these rates is that of young people, our students, who get caught in a cycle of debt early in life. Instead of using those first earning years as a time to save up and to be able to afford a down payment on a home, we see people caught in a cycle of credit card debt, then taking a zero-interest loan or a zero down payment on a home, and that cycle of debt continues.

I believe this is a day where we can start to fight back for Main Street over Wall Street and put common sense over greed to protect the American family.

Mr. Chairman, I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I rise to claim time in opposition.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. I yield myself such time as I may consume.

Mr. Chairman, I listened carefully to the gentleman, and I appreciate the intent of his particular amendment, but I fear, again, that this will be one more in a series of amendments that may have unintended consequences.

I heard the gentleman, as well as other speakers on the other side of the aisle, say they want to prevent tricks by the credit card companies. I think that is one of the few items, besides renaming a post office, that could receive a unanimous vote in this institution.

Out of, I believe, 1,200 pages of Federal Reserve regulations where they spent 3 years studying the issues, we will have disclosure under the Federal Reserve regulations that will prevent such tricks unless one defines the actual period of a teaser rate to be a trick. I believe a consumer can understand the difference between 1 month, 6 months, 6 years, and 12 years. Let the consumer choose.

Let me tell you what I believe the practical result of this amendment will be. Particularly those who may have a more checkered credit past, consumers, instead of having the ability to have a teaser rate—and I'm just using numbers for an example—at 8 percent for 3 months that then goes up to 15 percent for 9 months—they'll just end up having to pay 15 percent for the whole 12 months. They'll lose consumer choice. They'll lose that opportunity.

Now, some maintain that there are some concepts—and I've heard it said from friends on the other side of the aisle—certain aspects of their credit card agreements that consumers just can't understand. They're just too difficult to understand. Again, I congratulate the gentlelady from New York, yet again, for having a disclosure title, I believe, very roughly equivalent to that of the Federal Reserve's. This is a problem that can be solved with disclosure.

Empower the consumers. Don't take away their options. Empower the consumers with effective disclosure, and let them choose in a competitive marketplace. Let there be competition. Again, today, I can understand how consumers are confused. These forms are so long. They're written in legalese. It's easy to hide it. The answer is effective disclosure. The answer is not an arbitrary date on how long a teaser rate ought to be.

What you are doing is protecting the consumer out of having any opportunity of having a teaser rate. A teaser rate, when averaged with the other rate, again gives you an average of what the interest rate would be for a year. If you pass this, there is going to be a universe of consumers who are going to end up paying more, paying more on average for their credit than they otherwise would. So I urge rejection of the amendment.

I reserve the balance of my time.

Mr. PERRIELLO. Mr. Chairman, I am happy to yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Well, I heard my friend from Texas with mixed emotions. I liked the part of it where he said to trust the individual to make his or her economic decisions and to not interfere, and I hope when the bill I am sponsoring to repeal the ban on Internet gambling comes up that that sentiment doesn't die, because some people don't like the choices people would make. I would like to empower consumers. Congress passed a law that said, if you want to gamble with your own money on the Internet and you're 53 years old, you can't do it. So I welcome this kind of consumer choice, but that's, I think, a more clear-cut choice than this one.

The gentleman from Texas confidently says that, if you have this, there will be no teaser rates for a lot of people. I do not think there is any basis on which he can say that.

I am reminded of what Lord Melbourne said about Macaulay in the 19th century: ''I wish I could be as sure of anything as he is of everything.''

There is no basis for saying there will be no more teaser rates. As a matter of fact, a rate that only lasts 2 months or 3 months is likely to be a confusing thing to people, and he says that a consumer can tell. There still will be disclosure, but it will still come with a blizzard, and it will still come in ways that may not be clear to people.

The fact is that a 6-month minimum is a way to make sure that the product being offered is a sensible and thoughtful product that will not mislead some people. The fact is that not all consumers are of equal education, of equal ability to discriminate, of equal financial literacy. Yes, I think we should work to the point where people are as well educated as they should be, but that's not the case now.

You have to ask yourself, Mr. Chairman: Why would someone offer a 2-month teaser rate other than to try and bait and switch people into a higher rate?

I congratulate the gentleman from Virginia. This is a very thoughtful amendment. He has been working with the Obama administration. It comes with their strong support, and he is to be congratulated for an important consumer protection motion.

Mr. HENSARLING. Mr. Chairman, one, what I believed I said in my comment is that, for some universe of people, they would lose their teaser rates under this legislation. I listened to the chairman spend a fair amount of his time debating Internet gambling, which I do not believe is on the floor at this time; but if the chairman is so supportive of having consumer choice, I don't understand why we just spent a day and a half in markup in his committee taking away consumers' choice in the mortgage market. So we will continue to have this debate throughout.

Again, it's a simple argument. I believe that we can have effective disclosure and can allow consumers to make choices. If they're not allowed, if this type of arbitrary date is imposed, some universe of borrowers will probably lose their teaser rates and will effectively end up paying more, which will restrict their options. Again, I urge rejection of the amendment.

I reserve the balance of my time.

Mr. PERRIELLO. I would like to inquire if the gentleman has additional speakers.

Mr. HENSARLING. No.

Mr. PERRIELLO. I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, may I inquire as to who has the right to close.

The Acting CHAIR. The gentleman from Texas has the right to close.

Mr. HENSARLING. In this case, I continue to reserve.

Mr. PERRIELLO. Mr. Chairman, I ask for my colleagues to support this amendment.

I yield back the balance of my time.

Mr. HENSARLING. Mr. Chairman, I urge rejection of the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Virginia (Mr. PERRIELLO).

The amendment was agreed to.

AMENDMENT NO. 15 OFFERED BY MR. SCHAUER

The Acting CHAIR. It is now in order to consider amendment No. 15 printed in House Report 111–92.

Mr. SCHAUER. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. SCHAUER:

After section 8, insert the following new section (and redesignate the subsequent sections accordingly):

SEC. 9. POSTING INFORMATION ON THE INTERNET.

Section 122 of the Truth in Lending Act (U.S.C. 1632) is amended by adding at the end the following new subsection:

''(d) INTERNET POSTING OF CREDIT CARD AGREEMENTS.—

''(1) POSTING AGREEMENTS.—A creditor shall establish and maintain an Internet site on which the creditor will post the written agreement between the creditor and the consumer for each open-end consumer credit plan not secured by a dwelling that has a credit card feature.

''(2) PROVIDING COPY OF CONTRACTS TO THE BOARD.—A creditor shall provide to the Board in electronic format, the consumer credit card agreements that the creditor publishes on the creditor's Internet site.

''(3) RECORD REPOSITORY.—The Board shall establish and maintain on its publically available Internet site a central repository of the consumer credit card agreements received from the creditors pursuant to this subsection and such agreements shall be easily accessible and retrievable.

''(4) EXCEPTION.—Paragraphs (1) and (2) shall not apply to individually negotiated changes to contractual terms, such as individually-modified workouts or renegotiations of amounts owed by a consumer under an open end consumer credit plan.

''(5) REGULATIONS.—The Board, in consultation with the other agencies described in section 108 and the Federal Trade Commission, may prescribe regulations to implement this subsection, including—

''(A) specifying the format for posting the agreements on the creditor's Internet site; and

''(B) establishing exceptions to paragraphs (1) and (2) in cases where the administrative burden outweighs the benefit of increased transparency, such as where a credit card plan has a de minimis number of consumer account holders''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Michigan (Mr. SCHAUER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. SCHAUER. I yield myself 2 minutes.

Mr. Chairman, first, let me congratulate my distinguished colleague from New York for her leadership on bringing forward this important and timely bill. I'm proud to be a cosponsor of the credit cardholders' bill of rights.

I've heard from many of my constituents in Michigan, as I'm certain all of you have heard from your constituents, who have found themselves being misled by the credit card companies and being subjected to usurious rates. Americans are hurting, Michiganders especially, and they need our help. This bill is a critical step in providing that relief. Mr. Chairman, my amendment is a simple, two-part amendment that will help consumers make good choices when they get a credit card.

First, it requires credit card companies to post their agreement disclosures on their Web sites. Second, it requires a company to transmit that information to the Federal Reserve Board so that the board can compile those agreements and post them on the board's Web site. Together, these provisions provide important disclosure and transparency to the public, and they are an important resource for consumers so that they can easily be informed of tricks and traps that may exist within their credit card contracts or so that they can shop for the best possible deal for credit cards.

The goal is to provide consumers with direct public information and transparency regarding the interest rates that companies charge for their credit cards. This will allow one-stop shopping for good, fair rates.

Mr. Chairman, our people are hurting. Unemployment in my State is approaching 13 percent, and it's much higher than that in parts of my district. My amendment is a simple, straightforward step, and I ask for your support.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I claim time in opposition to the amendment.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. I yield myself such time as I may consume.

Mr. Chairman, I'm not completely certain that I actually oppose the amendment. I do have a couple of concerns.

One, I want to congratulate the gentleman for the thrust of his amendment, and indeed, we want to ensure that our consumers are empowered and that our consumers have proper disclosure.

There are a number of reasons why consumers do not understand the disclosure forms that they have today, one of which is there are misleading and deceptive practices by credit card companies. We all agree on that.

Another reason, though, is that, day after day and with the noblest of intentions, we mandate more disclosures. I'm just somewhat fearful—and not that this is not necessarily good information—that the combined impact will turn what otherwise might be a 2- to 3-page disclosure that a consumer might actually take the time to read into a 30- to 45-page behemoth that no one will take the time to read.

Again, I congratulate the gentleman for his intent and for his thrust. I'm not going to oppose the amendment, but I do want to articulate the concern again that we really want to emphasize that the most important aspects of a consumer's relationship with his credit card company are disclosed so that we can get focused there. In the average mortgage disclosure, there is so much disclosure, that people see a dizzying array of documents and pay attention to none of them.

□ 1345

I have always been an advocate for the succinct, effective disclosure written in plain English, not necessarily voluminous disclosure written in legalese.

I would also say that particularly for my friends on the other side of the aisle that have been extolling the virtues of the Federal Reserve throughout this debate, that through their rulemaking, I believe that they have already addressed this issue. They did spend more time studying it than we did. I personally don't know. I didn't see the evidence of how much demand there is for consumers for this information. I don't know the answer to that.

One other aspect I would bring up besides the fact that we need to ensure that we're having effective disclosure. I am not indifferent as to the increased

regulatory burden on our small community banks. Two Congresses ago, I had the opportunity to be the lead sponsor and write regulatory relief legislation for our small community banks. We have about half of what we had, I believe, 20 years ago. And so I am always a little concerned, too, in making sure that the benefits of an amendment or legislation are worth the cost. I don't want to continue to see more community banks get out of the credit card business because it's an extra cost here, it's an extra cost there. They don't have the personnel, and I just always want to be sensitive to the fact that I do not want to reduce competition down.

I don't see the distinguished chairman of the full committee on the floor today at this moment, but I know that he often jokes about that one day we may change our name to the ''bank committee'' because there will only be one bank left in America.

So, again, I just want to show sensitivity, and I don't know if there is any kind of program for our smaller banks. I know on a number of pieces of legislation there are exclusions for small businesses. I don't see that in the language here. And again, I am not going to oppose this particular amendment, but I did want to articulate concerns that I hope will be taken to heart by the majority, things that they could consider as this goes into conference.

At this moment, I will reserve the balance of my time.

Mr. SCHAUER. I appreciate the comments from the gentleman from Texas in support of the amendment. My amendment doesn't change the content of the disclosure, only its dissemination through a Web site that the Federal Reserve Board would collect and post those disclosures.

Mr. Chairman, I am happy to yield 1 minute to the gentleman from Illinois (Mr. GUTIERREZ).

Mr. GUTIERREZ. First of all, I want to thank the gentleman from Michigan for introducing this amendment. I think, first of all, probably the most junior member of my staff—they are all really bright—but the most recent graduate from college can probably go on the computer and somehow transcribe a document because the consumers—I don't want anybody to be led to believe that somehow this bill of rights isn't going to give the consumers the agreement. They are going to have every right to the agreement, and the banks are going to have to print the agreements and give it to people, except the agreements are going to be easier to read and understand. So I think a junior member can put that on a computer and Web site.

Having said that, again, Mr. HENSARLING—I hope that I have done a good enough job today, and I know he's always done a good enough job on his side, and we will take a look at that. If there is some onerous cost, we will take a look at that. But I have a funny feeling that there is a template out there that's going to be given to these smaller institutions. And I thank the gentleman for not opposing the amendment.

Mr. HENSARLING. Mr. Chairman, who has the right to close?

The Acting CHAIR. The gentleman from Texas has the right to close.

Mr. HENSARLING. Then I will continue to reserve.

Mr. SCHAUER. Mr. Chairman, I ask that my colleagues support this amendment.

I yield back my time.

Mr. HENSARLING. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Michigan (Mr. SCHAUER).

The amendment was agreed to.

AMENDMENT NO. 16 OFFERED BY MR. TEAGUE

The Acting CHAIR. It is now in order to consider amendment No. 16 printed in House Report 111–92.

Mr. TEAGUE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. TEAGUE:

After section 8, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 9. REGULATIONS RELATING TO ACTIVE DUTY MILITARY CONSUMERS AND RECENTLY DISABLED VETERANS.

Section 127B of the Truth in Lending Act is amended by inserting after subsection (p) (as added by section 6) the following new subsection:

''(q) REGULATIONS RELATING TO ACTIVE DUTY MILITARY CONSUMERS AND RECENTLY DISABLED VETERANS.—In the case of any credit card account, under an open end consumer credit plan, held by any veteran receiving compensation for a service-connected disability (as such terms are defined in section 101 of title 38, United States Code) that occurred less than 2 years before or any active duty military consumer (as defined in section 603(q)(2) of this Act) , the Board shall prescribe regulations that prohibits the creditor with respect to such account from making adverse reports to any consumer reporting agency with respect while the consumer maintains status as such a veteran or as an active duty military consumer.''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from New Mexico (Mr. TEAGUE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Mexico.

Mr. TEAGUE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise today to offer an amendment along with my friends, Congressmen NYE, KISSELL and BOCCIERI, that has three principal attributes. One is it's common sense. It does what is right and it helps out our Nation's veterans. Specifically, the amendment stops credit card companies from bringing down the credit scores of deployed soldiers and disabled veterans during the first 2 years of their disability.

Mr. Chairman, one of the time-honored commitments we make to our veterans is after they do the dangerous work of protecting our national security, we, as a country, ensure their economic security. When a soldier is fighting in the mountains of Afghanistan or the deserts of Iraq, he or she does not have access to regular mail service nor the ability to tend to the everyday financial pressures of home.

Likewise, when an injured veteran is adjusting to life with his or her disability, there is often a period of economic vulnerability where the costs pile up and sometimes you just don't get to every last letter in the mail.

When veterans return home, they should do so with the confidence that their credit history allows them to open a business, buy a house or a truck. If they were late on some payments while serving their country or recovering from a severe injury, that shouldn't prevent them from pursuing the American Dream. No commercial credit rating agency can be equipped to account for the intangibles of combat service and recovering from service-connected injuries.

Economic opportunity for veterans should not be a question of mistakes that they may have made during deployment or recovery. It should be a question of their service.

I urge my colleagues to pass this amendment.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I rise to claim time in opposition.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Chairman, I may be reluctantly opposed to the gentleman's amendment.

First, let me congratulate the gentleman from New Mexico. I have said other times that people had a noble purpose in their amendment. Of all amendments I have seen, this certainly has the most noble purpose, the most noble intent. No one who dons our Nation's uniform and fights for freedom, protects America's security ought to somehow be harmed because they missed a payment while they were taking on their Nation's duty. I certainly agree with the intent of the gentleman's legislation.

I have a couple of concerns, though, because I believe that this would be the first time that we are asking credit card bureaus to hide information.

I am just curious. Is there not another way to protect our brave men and women in uniform than setting the precedent of keeping accurate information away from a credit file which allows people to access credit in the first place? I am not an expert on it, but others who serve on the committee have informed me that this situation has been addressed under the Civil Relief Act. I know that military, Active Duty military, can append to their credit file that they are indeed in harm's way.

I would be happy to work with the gentleman for a program in DOD that would help ensure, again, that whatever type of resources are needed to ensure that people do not default on their

credit obligations while they are in harm's way, that's something I would want to support. I would want to go to the Appropriations Committee and ask them to appropriate funds to assure that this is done.

Clearly, we want to be sensitive to our Active Duty personnel. It's the most important thing we can do in this institution is protect the Nation from all enemies, foreign and domestic.

So I want to achieve the gentleman's goal, but I wonder if it might not have the unintended consequence of, perhaps, making credit even less available to our military personnel if, for some reason, the creditor community started believing that they were no longer receiving accurate information.

So I don't have a solution at my hand, and I admit that. But I do continue to be concerned that there may be unintended consequences here.

I reserve the balance of my time.

Mr. TEAGUE. Mr. Chairman, I yield 1½ minutes to my friend from Ohio (Mr. BOCCIERI).

(Mr. BOCCIERI asked and was given permission to revise and extend his remarks.)

Mr. BOCCIERI. They are fighting for us; now we have to fight for them. Every day, thousands of brave Americans are asked to leave the comfort and safety of their homes and families to fight for our freedom abroad. Oftentimes, those soldiers leave behind families who are surviving on credit cards to put food on the table or to clothe their kids as they send them off to school.

Some of those brave soldiers are deployed to the Middle East and then they are deployed to a forward-operating base. As a C–130 pilot, I delivered mail to those austere and sometimes remote locations. No, our soldiers in the battle every day don't have time to affix a stamp and send off a bill or a statement, their credit card bills, back to America. But while those soldiers are dodging bullets and IEDs and RPGs, they shouldn't be concerned about whether they sent their Visa bill on time. Frankly, they are under enough pressure. I know the stresses of a battlefield, and our soldiers shouldn't have to fight the credit card companies when they return because they were defending our country when their bill was due.

So I ask you, we've heard a lot about how this bill and amendments could create unintended consequences. Are we going to allow our soldiers and our brave men and women serving in our Nation's uniform to be victims of unintended consequences because they are overseas fighting?

The industry should be proud to stand by the soldiers and veterans who defend their ability to operate in a safe and secure environment led by a freely elected government. The industry should be willing to take the extra step, go the extra mile to show leniency to the military members who put their lives on the line.

Mr. HENSARLING. Mr. Chairman, how much time do I have remaining?

The Acting CHAIR. The gentleman has 3 minutes remaining.

Mr. HENSARLING. I will continue to reserve.

Mr. TEAGUE. Mr. Chairman, I yield 1½ minutes to my friend from Virginia (Mr. NYE).

Mr. NYE. Mr. Chairman, I would like to thank my colleague from New Mexico for his hard work on this amendment and for yielding.

Earlier this month, I had the opportunity to visit two forward-operating bases in the eastern part of Afghanistan, and it's true our troops today can keep in touch with home more easily than ever before. But the reality of patrolling the border along Pakistan means that sometimes payment dates will be missed.

Quite frankly, our troops deployed overseas have more important things to do than worry about a credit score. Their only concern should be to complete their missions and come home safely.

The same is true for injured veterans. As service-disabled veterans work to readjust to civilian life, they often face serious challenges finding a job, going through therapy, and working to recover from their injuries. We should do everything in our power to help them recover and rebuild. That's what this amendment will do.

I urge my colleagues to join me in supporting this amendment and supporting our troops overseas and our injured veterans back home.

□ 1400

Mr. HENSARLING. Mr. Chairman, I was listening carefully to the previous speakers. And again, I could not agree with them more in sharing their desire to ensure that this is not a problem. No one on Active Duty should be worrying about paying for their credit card bills. But I do continue to ask the question, is this the single best remedy?

Now, I'm not sure that any credit card company in America would be so stupid as to go and consciously ping somebody who is fighting for freedom in Afghanistan or Iraq. Wait until the local newspaper or local television station finds out about that. I would say some PR department would be working overtime.

But again, the thing that disturbs me here—and I want to solve the problem. Again, I admit, I am not an expert on what resources may be available at the Pentagon. I don't know if there couldn't be somehow automatic payment through the paycheck. If we need to set up money to loan our soldiers to ensure their bills are paid when they are overseas, I would be happy to support that.

But in some respects, you are asking credit bureaus to, in some respects, deceive creditors because they have information and you are telling them you are not allowed to give accurate information. Now, I don't want them to act adversely, but the precedent of essentially saying that you can now put misleading information into the market disturbs me greatly. I just would hope that there would be an alternative solution than this particular amendment, again, with the noblest of intentions.

I reserve the balance of my time.

Mr. TEAGUE. My concern is that penalizing veterans for missing payments while they are in combat or recovering from an injury is not an accurate way of determining their creditworthiness. However, I do look forward to working in conference to address some of these valid concerns.

The amendment requires the Federal Reserve to write the rules that accomplish the goals of this amendment, and we will work closely with the Fed.

Once again, Mr. Chairman, I encourage all of my colleagues to vote for this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. HENSARLING. Again, I want to congratulate my friend from New Mexico and his leadership on this issue.

This is absolutely, positively, unequivocally something that the Federal Reserve has to look into. I don't care if it affects only one soldier, sailor or airman in the entire Nation, this problem must be solved.

I continue to have reservations on this particular solution and its potential unintended consequences. I will most reluctantly urge a ''no'' vote at this time and hopefully have a commitment, particularly those who serve on our Armed Services Committee and our Appropriations Committee, to maybe find out if there is a less onerous way to treat what is a very, very serious problem.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New Mexico (Mr. TEAGUE).

The amendment was agreed to.

AMENDMENT NO. 17 OFFERED BY MR. SCHOCK

The Acting CHAIR (Mr. SERRANO). It is now in order to consider amendment No. 17 printed in House Report 111–92.

Mr. SCHOCK. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 Offered by Mr. SCHOCK:

In the subsection heading for section 3(d), strike ''BEFORE'' and insert ''AFTER''.

In the subsection heading of subsection (h) of section 127B of the Truth in Lending Act (as added by section 3(d)), strike ''BEFORE'' and insert ''AFTER''.

In paragraph (1) of section 127B(h) of the Truth in Lending Act (as added by section 3(d))—

(1) strike ''may not furnish any information to'' and insert ''shall remove any information furnished to''; and

(2) strike ''until the credit card has been used or activated by the consumer''and insert ''if the consumer has not used or activated the account and the consumer contacts the creditor within 45 days of the establishment of the account to close the account''.

The Acting CHAIR. Pursuant to House Resolution 379, the gentleman from Illinois (Mr. SCHOCK) and a Member opposed each will control 5 minutes.

The Chair now recognizes the gentleman from Illinois.

Mr. SCHOCK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment I offer today is really targeted at reducing identity theft and ensuring that consumers have the appropriate information they need to make themselves aware of inappropriate activity on their accounts that may be opened in their name.

As the current legislation stands, it leaves inactivated credit cards off of credit reporting altogether. The legislation would allow a potential identity thief to apply for and obtain numerous credit cards in someone else's name, accruing massive lines of credit, all with the intention of opening each credit card at once and simultaneously spending massive amounts of that victim's money and then disappearing, as often is the case, which ruins the victim's credit history and oftentimes costs the victim thousands of dollars.

My amendment ensures consumers are aware of credit activity made in their name by removing the requirement that open lines of credit are not reported to the credit bureaus until the issued credit card is activated.

Now, identity theft is a real problem. As an individual who has had my identity stolen, I can tell you that it is also a very costly problem. Eight million Americans were victims of identity theft in 2005, and over 2 million of those 8 million victims were victims because new accounts were opened in their names that they were not made aware of.

The Federal Trade Commission also states that a quarter of those victims' problems were exacerbated because they were not made aware of the problems for over 6 months. The underlying legislation will only exacerbate that without this amendment.

The Federal Trade Commission goes on in the report that they encourage consumers to stay vigilant in protecting their identity through two ways; one is monitoring accounts that you didn't open and debts on your accounts that you can't explain. Well, Mr. Chairman, my amendment does exactly that by ensuring consumers continue to have the information about these accounts that would otherwise have been applied in their name but up until this point would not be noted on their credit account. Under the 2003 Fair Credit Reporting Act passed by Congress, consumers are allowed this information free of charge. And with the amendment I offer here today, they will be given that information in advance of any adverse credit effects that a potential identity thief could be trying.

Mr. Chairman, I urge a ''yes'' vote, and I reserve the balance of my time.

Mr. GUTIERREZ. Mr. Chairman, I rise to claim the time in opposition.

The Acting CHAIR. The gentleman from Illinois is recognized for 5 minutes.

Mr. GUTIERREZ. Mr. Chairman, I yield myself 2 minutes.

The bill prohibits a creditor from providing information about a new credit card to consumer reporting until the consumer uses or activates the card. I think the intention is excellent. I don't know that you are going to reach it through this amendment.

I am going to look forward to speaking to the gentleman. And as the chairman of the Subcommittee on Financial Institutions, I look forward to working with him to make sure that we actually reach your goal. I think credit card companies should be able to allow that information to be removed. Moreover, the reporting agencies should remove that information, and it should be done quickly and swiftly, and we should look at measures to do that.

I am not going to oppose or ask people to oppose this particular amendment here this afternoon. I just want to share with the gentleman that I am going to vote ''yes'' on it—and hopefully we won't have a recorded vote and it will become part of the bill. We can then work on it. And if we can't, I would suggest to the gentleman that we sit down and figure out a way to get there, just in case I'm wrong, you're right; you're wrong, I'm right. We should continue this conversation.

I reserve the balance of my time.

Mr. SCHOCK. I urge passage, Mr. Chairman, and I yield back the balance of my time.

Mr. GUTIERREZ. I yield 2 minutes to the gentlelady from New York, CAROLYN MALONEY.

Mrs. MALONEY. I thank the gentleman for yielding.

Mr. Chairman, I am generally in support of what my colleague from Illinois is attempting to do, but I do have concerns that too few consumers would take advantage of this provision or even know that it was available to them. I am going to be supporting your amendment, but I would like to work with you in further refining it.

I know the main concern that has been raised about this provision has focused on preventing fraud. And I fully support efforts to prevent fraud, and I am willing to work with you going forward to ensure that consumers know of their right to reject the card and have this information removed from the credit report.

I would also like to take this time to explain why this provision was added to the bill and why I believe it is necessary in one form or another.

Right now, consumers generally do not know the full terms and conditions of their credit card until they have been issued the card. And once a card has been issued, the card is reported on the consumer's credit report, regardless of whether the consumer uses the card or not. The bill would allow an issuer to report a consumer's application for a credit card, but would not allow an issuer to report the approval of the credit card to the credit bureaus until the card has been activated or used.

Consumers should not have open lines of credit listed on their credit report if they have no intention of ever using the card. And while I appreciate the gentleman's amendment and will maintain this going forward, I just want to ensure consumers receive adequate disclosures relating to this. And so I will be supporting your amendment, and we can help work on further disclosures.

Mr. GUTIERREZ. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. SCHOCK).

The amendment was agreed to.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 111–92 on which further proceedings were postponed, in the following order:

Amendment No. 3 by Ms. SLAUGHTER of New York.

Amendment No. 8 by Mrs. MALONEY of New York.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 3 OFFERED BY MS. SLAUGHTER

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentlewoman from New York (Ms. SLAUGHTER) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 276, noes 154, not voting 9, as follows:

[Roll No. 225]

AYES—276

Abercrombie	Brown (SC)	Cohen
Ackerman	Brown, Corrine	Cole
Adler (NJ)	Brown-Waite, Ginny	Connolly (VA)
Andrews	Buchanan	Conyers
Arcuri	Butterfield	Cooper
Baca	Buyer	Costa
Baird	Camp	Costello
Baldwin	Cao	Courtney
Barrow	Capito	Crenshaw
Barton (TX)	Capps	Crowley
Becerra	Capuano	Cuellar
Berkley	Cardoza	Cummings
Berman	Carnahan	Dahlkemper
Bishop (GA)	Carney	Davis (AL)
Bishop (NY)	Carson (IN)	Davis (CA)
Blumenauer	Castor (FL)	Davis (IL)
Boccieri	Chandler	Davis (TN)
Bono Mack	Christensen	Deal (GA)
Boren	Clarke	DeFazio
Boswell	Clay	DeGette
Boucher	Cleaver	Delahunt
Brady (PA)	Clyburn	DeLauro
Braley (IA)		Dent

Dicks
Dingell
Donnelly (IN)
Doyle
Driehaus
Duncan
Edwards (MD)
Ehlers
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Faleomavaega
Farr
Fattah
Filner
Fleming
Forbes
Fortenberry
Frank (MA)
Fudge
Gerlach
Gingrey (GA)
Gohmert
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Grijalva
Guthrie
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Heinrich
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
LaTourette
Lee (CA)
Lee (NY)
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Luján
Lungren, Daniel E.
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matsui
McCarthy (NY)
McCollum
McCotter
McDermott
McGovern
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Minnick
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murtha
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Norton
Nye
Oberstar
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paulsen
Payne
Perriello
Peters
Peterson
Petri
Pierluisi
Pingree (ME)
Platts
Pomeroy
Price (NC)
Quigley
Radanovich
Rahall
Rangel
Reyes
Richardson
Rodriguez
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Ryan (OH)
Sablan
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shimkus
Shuler
Sires
Skelton
Slaughter
Space
Speier
Spratt
Stearns
Stupak
Sutton
Tauscher
Taylor
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Van Hollen
Velázquez
Visclosky
Walz
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (FL)

NOES—154

Aderholt
Akin
Alexander
Altmire
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Bean
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bonner
Boozman
Boustany
Boyd
Brady (TX)
Bright
Broun (GA)
Burton (IN)
Calvert
Campbell
Cantor
Carter
Cassidy
Castle
Chaffetz
Childers
Coble
Coffman (CO)
Conaway
Culberson
Davis (KY)
Diaz-Balart, L.
Diaz-Balart, M.
Doggett
Dreier
Edwards (TX)
Emerson
Fallin
Flake
Foster
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Giffords
Goodlatte
Graves
Griffith
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Herseth Sandlin
Himes
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jordan (OH)
King (IA)
King (NY)
Kingston
Kline (MN)
Lamborn
Lance
Latham
Latta
Lewis (CA)
Linder
Lucas
Luetkemeyer
Lummis
Mack
Manzullo
Marchant
Matheson
McCarthy (CA)
McCaul
McClintock
McHenry
McHugh
McIntyre
McKeon
McMahon
McMorris Rodgers
Mica
Miller (FL)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Neugebauer
Nunes
Obey
Olson
Olver
Paul
Pence
Perlmutter
Pitts
Poe (TX)
Polis (CO)
Posey
Price (GA)
Putnam
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rohrabacher
Rooney
Royce
Ryan (WI)
Salazar
Scalise
Schiff
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Sullivan
Tanner
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Upton
Walden
Westmoreland
Whitfield
Wilson (SC)
Young (AK)

NOT VOTING—9

Berry
Bishop (UT)
Bordallo
Burgess
Granger
Hastings (FL)
Johnson (GA)
Rush
Stark

□ 1439

Messrs. GALLEGLY, TANNER, FLAKE, BOYD, MITCHELL, FOSTER and SCHIFF changed their vote from ''aye'' to ''no.''

Mrs. MILLER of Michigan and Messrs. GUTHRIE and WITTMAN changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. RUSH. Mr. Chair, on rollcall No. 225 I was unavoidably detained in a strategic meeting of significant interests to my constituents. Had I been present, I would have voted ''aye.''

AMENDMENT NO. 8 OFFERED BY MRS. MALONEY

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentlewoman from New York (Mrs. MALONEY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 284, noes 149, not voting 6, as follows:

[Roll No. 226]

AYES—284

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Altmire
Andrews
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Brown (SC)
Brown, Corrine
Buchanan
Butterfield
Buyer
Campbell
Cao
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Cassidy
Castor (FL)
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Cole
Connolly (VA)
Conyers
Cooper
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Faleomavaega
Farr
Fattah
Filner
Fleming
Forbes
Fortenberry
Foster
Frank (MA)
Fudge
Gerlach
Giffords
Gohmert
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Heinrich
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Jones
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (NY)
Kingston
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Latham
Lee (CA)
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (MA)
Marshall
Massa
Matsui
McCaul
McCollum
McDermott
McGovern
McHugh
McIntyre
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Norton
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Perriello
Peters
Peterson
Petri
Pierluisi
Pingree (ME)
Platts
Polis (CO)
Pomeroy
Price (NC)
Putnam
Quigley
Rahall
Rangel
Reichert
Reyes
Richardson
Rodriguez
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sablan
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Speier
Spratt
Stearns
Stupak
Sutton
Tauscher
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NOES—149

Akin
Alexander
Arcuri
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Bean
Biggert
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Boyd
Broun (GA)
Brown-Waite, Ginny
Burton (IN)
Calvert
Camp
Cantor
Capito
Carter
Castle
Chaffetz
Childers
Coble
Coffman (CO)
Conaway
Costa
Dahlkemper
Davis (KY)
Deal (GA)
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gingrey (GA)

Goodlatte	Marchant	Roskam
Graves	Markey (CO)	Royce
Guthrie	Matheson	Ryan (WI)
Hall (TX)	McCarthy (CA)	Salazar
Harper	McCarthy (NY)	Scalise
Hastings (WA)	McClintock	Schmidt
Heller	McCotter	Schock
Hensarling	McHenry	Sensenbrenner
Herger	McKeon	Sessions
Hoekstra	McMahon	Shadegg
Hunter	McMorris Rodgers	Shimkus
Inglis	Mica	Shuler
Issa	Miller (FL)	Shuster
Jenkins	Miller (MI)	Simpson
Johnson (IL)	Miller, Gary	Skelton
Johnson, Sam	Minnick	Smith (NE)
Jordan (OH)	Moran (KS)	Smith (TX)
King (IA)	Murphy, Tim	Souder
Kirk	Myrick	Space
Kline (MN)	Neugebauer	Sullivan
Lamborn	Nunes	Tanner
Lance	Olson	Thompson (PA)
LaTourette	Paul	Tiberi
Latta	Paulsen	Upton
Lee (NY)	Pence	Walden
Lewis (CA)	Pitts	Wamp
Linder	Poe (TX)	Westmoreland
Lucas	Posey	Whitfield
Luetkemeyer	Price (GA)	Wilson (SC)
Lummis	Radanovich	Wittman
Lungren, Daniel E.	Rehberg	Wolf
Mack	Roe (TN)	Young (AK)
Manzullo	Rogers (AL)	Young (FL)

NOT VOTING—6

Berry	Burgess	Hastings (FL)
Bordallo	Granger	Stark

□ 1448

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. BORDALLO. Mr. Chair, today I have been granted an official leave of absence by the House of Representatives and am in my district attending to official business. As such, I am unable to cast my votes in the Committee of the Whole House on the State of the Union on amendments to H.R. 627, the Credit Cardholders' Bill of Rights Act of 2009. If I were present for these votes, I would vote as follows and ask that the RECORD reflect these positions: "no" on the amendment offered by Ms. SLAUGHTER of New York (rollcall vote 225) and "aye" on the amendment offered by Mrs. MALONEY of New York (rollcall vote 226).

The Acting CHAIR. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIR. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. WEINER) having assumed the chair, Mr. SERRANO, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 627) to amend the Truth in Lending Act to establish fair and transparent practices relating to the extension of credit under an open end consumer credit plan, and for other purposes, pursuant to House Resolution 379, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment reported from the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. ROSKAM. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ROSKAM. I am, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. Roskam moves to recommit the bill H.R. 627 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following instructions:

At the end of the bill, insert the following new section:

SEC. 11. TRIGGER FOR ENACTMENT.

No provision of the Act shall take effect until a study to be completed by the Board of Governors of the Federal Reserve System makes a determination that the provisions of the Act will not result in a reduction in the availability of credit covered by this Act to small businesses.

The SPEAKER pro tempore. The gentleman from Illinois is recognized for 5 minutes.

Mr. ROSKAM. Mr. Speaker, we are here today because we are having a national conversation about credit, and it is a conversation that has had an impact on each and every one of our congressional districts. It doesn't matter where we are from, it doesn't matter what our background is, credit is inextricably linked to our success as a country.

So here we are, and we have got sponsors who have worked hard, and I want to take my hat off to the sponsors and to the chairman of the committee for taking on a very, very serious work. There are some good things in here, there are some good things in the underlying bill, but I think there is a weakness, and I want to point out the weakness and offer a suggestion.

This is not a ''gotcha'' amendment. This was an idea presented to the Rules Committee, and, unfortunately, it was sort of swatted aside. I think it was a little bit misinterpreted, and that's disappointing. But the great thing about this process is you get another shot at the title. So here we are and we have another opportunity to consider this idea. Here is what it says.

Notwithstanding everything that is in this bill, it doesn't matter what you have been told about it, what has been represented to you, what kind of talking points, what kind of hearings you have heard, what kind of testimony, let's face it, if this falls short and it has an adverse impact on small business, then we have failed. If this has an adverse impact on the biggest job creators in our economy, then we have failed.

So my attitude is look, we all, all of us, talk about how important small business is, how important the entrepreneur is, how important the self-employed are. But ultimately, if we are passing legislation that has an adverse impact on that group's ability to get credit, we have failed.

So what this amendment says, it says, look. What the motion says is take a good hard look at the bill, but hit the pause button, and here is why. Let the Fed look at this, do a study that says it is not going to have an adverse impact on small business.

''Small business'' is a term of art, one that we can all come around. It is not meant to sneak up on anybody. It is not meant to overly characterize anything. But what it says is do the credit card changes, if you will, but make sure we are not having an impact on the small person.

Now, why is this important? Why should we be thinking in terms of a pause button right now? And I want to give you three examples where we cumulatively voted on things that have been presented in one way and they have turned out very differently.

Remember during the bailout debate last fall, remember the drumbeat, the pounding sort of, that pulsing feeling on the House floor and that sense of urgency of you got to pass it, you got to pass it, you got to pass it? Well, what is in it? I don't know, but just pass it and it is all going to be great.

Well, it didn't work out so well. Credit markets haven't been restored and we are still limping along months later.

Remember during the stimulus debate, when we heard from the White House that if we pass this, unemployment was going to peak at 8 percent, the birds were going to be chirping, it was all going to be great and that was going to be the high mark in terms of unemployment? That didn't happen to turn out that way, and we are already at 8.5 percent or beyond.

And most recently in the budget figures we heard represented in the Ways and Means Committee, that the Budget Committee heard, this is what we were told in terms of projections: That real GDP was only going to shrink by 1.2 percent this year. But already this quarter, this last quarter, it is down 6.1 percent.

Now, why do I bring those numbers up? They are important because they are indicators of mischaracterizations of things.

So when people say we are going to fix this credit card situation, my reluctance, and I think the reason there is a little bit of reluctance out there is the suggestion that there is going to be no cost to it and it is all going to be great and it is all going to be roses, and what I am suggesting to you today is that if we fail to protect small business, then we have failed.

Now, you will hear that the NFIB has endorsed it, and endorsed it they have. The NFIB has endorsed it, and I think

in fairness to the NFIB, they have looked at it and they have thought it is okay.

But we can do better. We have an opportunity to raise this to a higher standard. We have a chance today with adopting this simple motion to say it is all well and good, but let's make sure the Fed checks this out and comes back affirmatively.

Now, you might hear there is a study, Congressman, in the bill already. And I would suggest to you that the way the study in the bill is already crafted, it is a retroactive study, right? So it says within 3 months, 6 months of the acceptance date, we need to move forward.

You know what you need to do, and you know we need to do it.

Mr. GUTIERREZ. I rise in opposition to the motion.

The SPEAKER pro tempore. The gentleman from Illinois is recognized for 5 minutes.

Mr. GUTIERREZ. Members of the House, a consistent argument that we hear from the other side is about the alleged lack of transparency and bipartisanship in this House; yet, it was only 5 minutes ago that we received this motion to recommit. How seriously can we take this? It is a motion to delay.

But we cannot stand another day and delay stopping the suffering of the American consumers at the hands of practices that the Federal Reserve Board, the same Federal Reserve Board which the minority wishes to have a study, has already spoken. They said it is unfair, it is deceptive, it is wrong, and we should change it. And we should not delay one day more the suffering of the American consumers at the hands of the deceptive practices of the credit card industry.

We are considering today a bill which already passed last year. The gentlelady from New York, CAROLYN MALONEY , the architect of the bill, a heroine for consumers across this country, deserves our recognition and our praise and our gratitude for fighting, for fighting this good and courageous fight.

Look, the Federal Reserve Board, the one you want to do a study, has already spoken. It says the practices are unfair and deceptive, and they have created rules and we will put them into effect on July 1, 2010, to stop those things.

I say let's not wait. Let's do it today. If it is unfair and it is deceptive, this Congress has the responsibility to the American consumer to act quickly and promptly with no further delay.

They say that this bill is for the small business community, a community of businesses that we are very concerned about. But, look, maybe you didn't get it. ''Key vote alert. On behalf of the National Federation of Independent Businesses, the Nation's leading small business advocates, we urge your support immediately for the Credit Cardholders' Bill of Rights.'' They have spoken.

The National Small Business Association endorses the bill, also.

It seems to me that the predicate of the minority is that they are in defense of small businesses. The small business community has already spoken on this issue. We need to delay this no further.

□ 1500

The only one, the only group in America that can be happy if we delay this bill any longer are those that are engaged in deceptive predatory lending to consumers who are already unemployed, who are already suffering, who are already at the mercy of an economic system that just isn't there for them. Let's stand up for consumers at least one time while we're here. We can do it today, and the first step is saying ''no'' to the motion to recommit.

I yield to the gentlelady from New York, CAROLYN MALONEY.

Mrs. MALONEY. Today, America's consumers can see what a Democratic President and a Democratic majority means to their lives. We can stop these abusive practices by voting down the motion to recommit and voting for the bill.

Small businesses, the Small Business Association was part of our coalition. They support the bill. The National Federation of Independent Businesses, they call it a key vote alert. They will score people on this vote, a vote in support of the legislation.

So we have a chance to vote with the regulators of this country that support the bill and have called these practices unfair, deceptive and anticompetitive. We get to vote with 54 editorial boards across the country that have endorsed the bill, with every consumer group, every civil rights group, and many grassroots organizations that have called this their number 1 legislative priority.

We do not need to delay. We need to vote against this motion to recommit, and we need to move forward in enacting these provisions to protect America's working men and women, particularly when our economy is downturning, many people are losing their jobs. We need to protect our consumers, not delay provisions that can help them better manage their credit and stop abusive practices.

Vote for the Democratic bill.

Mr. GUTIERREZ. I would just like to say, once again, listen, seriously, on both sides, let's not delay this any further. Vote ''no'' on the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROSKAM. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 164, noes 263, not voting 6, as follows:

[Roll No. 227]

AYES—164

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Emerson
Fallin
Flake
Fleming
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Giffords
Gingrey (GA)
Gohmert
Goodlatte
Graves
Guthrie
Hall (TX)
Harper
Heller
Hensarling
Herger
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jordan (OH)
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kline (MN)
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McIntyre
McKeon
McMorris Rodgers
McNerney
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Myrick
Neugebauer
Nunes
Nye
Olson
Paul
Paulsen
Pence
Pitts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)

NOES—263

Abercrombie
Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Bright
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Forbes
Fortenberry
Foster
Frank (MA)
Frelinghuysen
Fudge
Gerlach
Gonzalez

Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Heinrich
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Jones
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McMahon
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Platts
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Rohrabacher
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Space
Speier
Spratt
Stupak
Sutton
Tanner
Tauscher
Taylor
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Upton
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth
Young (FL)

NOT VOTING—6

Berry
Burgess
Granger
Hastings (FL)
Hastings (WA)
Stark

□ 1521

Messrs. GERLACH, MEEKS of New York, MINNICK, and Ms. MCCOLLUM changed their vote from ''aye'' to ''no.''

Messrs. FLAKE and CANTOR changed their vote from ''no'' to ''aye.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GUTIERREZ. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 357, noes 70, not voting 7, as follows:

[Roll No. 228]

AYES—357

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Baird
Baldwin
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Boccieri
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Braley (IA)
Bright
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Campbell
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Coffman (CO)
Cohen
Cole
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Fleming
Forbes
Fortenberry
Foster
Frank (MA)
Frelinghuysen
Fudge
Gallegly
Gerlach
Giffords
Gonzalez
Gordon (TN)
Graves
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Heinrich
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hoyer
Hunter
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Luetkemeyer
Luján
Lungren, Daniel E.
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCaul
McCollum
McCotter
McDermott
McGovern
McHugh
McIntyre
McKeon
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (MI)
Miller (NC)
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paulsen
Payne
Pelosi
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Platts
Polis (CO)
Pomeroy
Posey
Price (NC)
Putnam
Quigley
Radanovich
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Souder
Space
Speier
Spratt
Stearns
Stupak
Sullivan
Sutton
Tanner
Tauscher
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Whitfield
Wilson (OH)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

NOES—70

Bachmann
Bachus
Barrett (SC)
Bishop (UT)
Blackburn
Boehner
Bonner
Brady (TX)
Broun (GA)
Cantor
Chaffetz
Coble
Conaway
Davis (KY)
Deal (GA)
Dreier
Flake
Foxx
Franks (AZ)
Garrett (NJ)
Gingrey (GA)
Gohmert
Goodlatte
Heller
Hensarling
Herger
Herseth Sandlin
Inglis
Jenkins
Johnson, Sam
Jordan (OH)
King (IA)
Kline (MN)
Lamborn
Latta
Linder
Lucas
Lummis
Mack
Manzullo
Marchant
McCarthy (CA)
McClintock
McHenry
McMorris Rodgers
Miller (FL)
Miller, Gary
Myrick
Neugebauer
Nunes
Olson
Paul
Pitts
Poe (TX)
Price (GA)
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Sensenbrenner
Sessions
Shadegg
Smith (NE)
Smith (TX)
Thompson (PA)
Thornberry
Tiahrt
Westmoreland
Wilson (SC)

NOT VOTING—7

Berry
Burgess
Granger
Hastings (FL)
Hastings (WA)
Pence
Stark

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are reminded there are less than 2 minutes remaining on this vote.

□ 1534

Mrs. MCMORRIS RODGERS and Mr. GOODLATTE changed their vote from ''aye'' to ''no.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE REPUBLICAN LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN A. BOEHNER, Republican Leader:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 28, 2009.

Hon. NANCY PELOSI,
Speaker,
U.S. Capitol, Washington, DC.

DEAR SPEAKER PELOSI: Pursuant to Section 333(a)(2) of the Consolidated Natural Resources Act of 2008 (P.L. 110–229), I am pleased to appoint Mr. Nelson Albareda of Miami, Florida to the Commission to Study the Potential Creation of a National Museum of the American Latino.