

113TH CONGRESS  
1ST SESSION

# H. R. 3310

To provide for additional protections and disclosures to consumers when financial products or services are related to the consumers' military or Federal pensions, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2013

Mr. CARTWRIGHT (for himself, Mr. CONNOLLY, Mr. GRAYSON, Mr. CONYERS, Mr. GRIJALVA, Ms. KAPTUR, Ms. KELLY of Illinois, Ms. LEE of California, Mr. TAKANO, Ms. SLAUGHTER, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCGOVERN, Ms. SHEA-PORTER, Mr. MORAN, Mr. FARR, Mr. CUMMINGS, Mr. HINOJOSA, Mr. LEWIS, Mrs. NEGRETE MCLEOD, Ms. SPEIER, Mr. THOMPSON of Mississippi, Mr. LANGEVIN, Mr. BLUMENAUER, Ms. FUDGE, Mr. GEORGE MILLER of California, Mr. COHEN, Mr. GENE GREEN of Texas, Ms. DELAURO, Mr. ENYART, Mr. POCAN, Mr. LYNCH, Ms. HAHN, Ms. MCCOLLUM, Mr. WAXMAN, Mr. DELANEY, Mr. NADLER, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Ms. NORTON, Mrs. KIRKPATRICK, and Mr. LOWENTHAL) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Veterans' Affairs, Armed Services, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for additional protections and disclosures to consumers when financial products or services are related to the consumers' military or Federal pensions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Annuity Safety and  
5 Security Under Reasonable Enforcement Act of 2013” or  
6 the “ASSURE Act of 2013”.

7 **SEC. 2. CONSIDERATION OF FEDERAL AND MILITARY PEN-**  
8 **SIONS IN EXTENSIONS OF CREDIT.**

9 The Truth in Lending Act (15 U.S.C. 1601 et seq.)  
10 is amended—

11 (1) in section 104(3), by inserting after “other  
12 than” the following: “payments described under sec-  
13 tion 126(a) and”;

14 (2) by inserting after section 125 the following:

15 **“§ 126. Payments in consideration of Federal and**  
16 **military pensions**

17 “(a) DISCLOSURE.—The Bureau shall issue regula-  
18 tions requiring any payment to a benefit recipient, wheth-  
19 er or not such payment is an extension of credit, that di-  
20 minishes the benefit recipient’s ability to control the pay-  
21 ments from their Federal or military pension in any way,  
22 to be treated as an extension of credit for purposes of the  
23 disclosures required under this title.

1       “(b) INTEREST RATE CAP.—With respect to a pay-  
2 ment to a benefit recipient described under subsection  
3 (a)—

4               “(1) if such payment is an extension of con-  
5 sumer credit, a creditor may not impose an annual  
6 percentage rate of interest greater than the Federal  
7 funds rate plus 6 percent; and

8               “(2) if such payment is not an extension of con-  
9 sumer credit, the Bureau shall issue regulations re-  
10 quiring that the aggregate amount of cash and prop-  
11 erty paid in exchange for such payment may not ex-  
12 ceed an amount that is equivalent to the interest  
13 rate described under paragraph (1).

14       “(c) DEFINITIONS.—For purposes of this section:

15               “(1) BENEFIT RECIPIENT.—The term ‘benefit  
16 recipient’ means a person who is entitled to pay-  
17 ments under a Federal or military pension.

18               “(2) FEDERAL OR MILITARY PENSION.—The  
19 term ‘Federal or military pension’ means—

20                       “(A) a benefit described under section  
21 5301(a) of title 38, United States Code;

22                       “(B) retired pay to an enlisted member of  
23 the Army, Navy, Air Force, or Marine Corps;  
24 and

1           “(C) an annuity described under section  
2           8345 or 8465 of title 5, United States Code.

3           “(3) FEDERAL FUNDS RATE.—For purposes of  
4           this section, the term ‘Federal funds rate’ means the  
5           Federal funds rate published in the Federal Reserve  
6           Statistical Release on selected interest rates (daily or  
7           weekly), and commonly referred to as the H.15 re-  
8           lease (or any successor publication).”; and

9           (3) in the table of contents for chapter 2 of  
10          such Act, by inserting after the item relating to sec-  
11          tion 125 the following:

“126. Consideration of Federal pensions in extensions of credit”.

12 **SEC. 3. CLARIFICATION OF ASSIGNMENTS; PRIVATE**  
13 **RIGHTS OF ACTIONS.**

14          (a) VETERANS BENEFITS.—Section 5301 of title 38,  
15          United States Code, is amended by adding at the end the  
16          following:

17               “(f) PRIVATE RIGHT OF ACTION.—

18                       “(1) IN GENERAL.—A benefit recipient may  
19                       bring an action against a pension assignee in the ap-  
20                       propriate Federal or State court and recover—

21                               “(A) three times the damages suffered due  
22                               to the assignment made in violation of this sec-  
23                               tion;

24                               “(B) court costs; and

1           “(C) reasonable attorneys’ fees and ex-  
2           penses.

3           “(2) DEFINITIONS.—For purposes of this sub-  
4           section:

5           “(A) BENEFIT RECIPIENT.—The term  
6           ‘benefit recipient’ means a person with respect  
7           to which payments of benefits described under  
8           this section are due or are to become due.

9           “(B) PENSION ASSIGNEE.—With respect to  
10          a benefit recipient, the term ‘pension assignee’  
11          means a person who has been assigned the ben-  
12          efits of the benefit recipient in violation of this  
13          section.”.

14          (b) MILITARY RETIRED PAY.—Section 701 of title  
15          37, United States Code, is amended by adding at the end  
16          the following:

17          “(f) CLARIFICATION ON NON-ASSIGNMENT OF RE-  
18          TIRED PAY FOR ENLISTED MEMBERS.—

19                 “(1) IN GENERAL.—For purposes of this sub-  
20                 section (c), in any case where an enlisted member is  
21                 entitled to retired pay and enters into an agreement  
22                 with another person under which agreement such  
23                 other person acquires for consideration the right to  
24                 receive payment of such retired pay, whether by pay-  
25                 ment from the member to such other person, deposit

1 into an account from which such other person may  
2 make withdrawals, or otherwise, such agreement  
3 shall be deemed to be an assignment and is prohib-  
4 ited. Any agreement or arrangement for collateral  
5 for security for an agreement that is prohibited  
6 under the previous sentence is also prohibited.

7 “(2) PRIVATE RIGHT OF ACTION.—

8 “(A) IN GENERAL.—A retired pay recipi-  
9 ent may bring an action against a retired pay  
10 assignee in the appropriate Federal or State  
11 court and recover—

12 “(i) three times the damages suffered  
13 due to the assignment of retired pay made  
14 in violation of this section;

15 “(ii) court costs; and

16 “(iii) reasonable attorneys’ fees and  
17 expenses.

18 “(B) DEFINITIONS.—For purposes of this  
19 subsection:

20 “(i) RETIRED PAY RECIPIENT.—The  
21 term ‘retired pay recipient’ means a person  
22 with respect to which retired pay described  
23 under this section is due or is to become  
24 due.

1           “(ii) RETIRED PAY ASSIGNEE.—With  
2           respect to a retired pay recipient, the term  
3           ‘retired pay assignee’ means a person who  
4           has been assigned or allotted the retired  
5           pay of the retired pay recipient in violation  
6           of this section.”.

7           (c) CSRS ANNUITIES.—Section 8345(h) of title 5,  
8 United States Code, is amended to read as follows:

9           “(h) NON-ASSIGNMENT OF ANNUITIES.—

10           “(1) IN GENERAL.—An individual entitled to an  
11           annuity from the Fund may not make allotments or  
12           assignments of amounts from such annuity.

13           “(2) CONSTRUCTION.—For purposes of this  
14           subsection—

15           “(A) in any case where an individual enti-  
16           tled to an annuity from the Fund enters into an  
17           agreement with another person under which  
18           agreement such other person acquires for con-  
19           sideration the right to receive payment of such  
20           annuity, whether by payment from the indi-  
21           vidual to such other person, deposit into an ac-  
22           count from which such other person may make  
23           withdrawals, or otherwise, such agreement shall  
24           be deemed to be an assignment and is prohib-  
25           ited; and

1           “(B) any agreement or arrangement for  
2 collateral for security for an agreement that is  
3 prohibited under subparagraph (A) is also pro-  
4 hibited.

5           “(3) EXCEPTION.—Paragraphs (1) and (2)  
6 shall not apply to amounts used to pay dues to  
7 unions or other employee organizations.

8           “(4) PRIVATE RIGHT OF ACTION.—

9           “(A) IN GENERAL.—An annuity recipient  
10 may bring an action against an annuity as-  
11 signee in the appropriate Federal or State court  
12 and recover—

13                   “(i) three times the damages suffered  
14 due to the assignment made in violation of  
15 this subsection or the regulations issued  
16 pursuant to this subsection;

17                   “(ii) court costs; and

18                   “(iii) reasonable attorneys’ fees and  
19 expenses.

20           “(B) DEFINITIONS.—For purposes of this  
21 paragraph:

22                   “(i) ANNUITY ASSIGNEE.—With re-  
23 spect to an annuity recipient, the term ‘an-  
24 nuity assignee’ means a person who has  
25 been assigned or allotted all or part of an



1 annuity from the Fund in violation of this  
2 subsection or the regulations issued pursu-  
3 ant to this subsection.

4 “(ii) ANNUITY RECIPIENT.—The term  
5 ‘annuity recipient’ means an individual en-  
6 titled to an annuity from the Fund.”

7 (d) FERS ANNUITIES.—Section 8465(b) of title 5,  
8 United States Code, is amended to read as follows:

9 “(b) NON-ASSIGNMENT OF ANNUITIES.—

10 “(1) IN GENERAL.—An individual entitled to an  
11 annuity from the Fund may not make allotments or  
12 assignments of amounts from such annuity.

13 “(2) CONSTRUCTION.—For purposes of this  
14 subsection—

15 “(A) in any case where an individual enti-  
16 tled to an annuity from the Fund enters into an  
17 agreement with another person under which  
18 agreement such other person acquires for con-  
19 sideration the right to receive payment of such  
20 annuity, whether by payment from the indi-  
21 vidual to such other person, deposit into an ac-  
22 count from which such other person may make  
23 withdrawals, or otherwise, such agreement shall  
24 be deemed to be an assignment and is prohib-  
25 ited; and

1           “(B) any agreement or arrangement for  
2 collateral for security for an agreement that is  
3 prohibited under subparagraph (A) is also pro-  
4 hibited.

5           “(3) EXCEPTION.—Paragraphs (1) and (2)  
6 shall not apply to amounts used to pay dues to  
7 unions or other employee organizations.

8           “(4) PRIVATE RIGHT OF ACTION.—

9           “(A) IN GENERAL.—An annuity recipient  
10 may bring an action against an annuity as-  
11 signee in the appropriate Federal or State court  
12 and recover—

13                   “(i) three times the damages suffered  
14 due to the assignment made in violation of  
15 this subsection or the regulations issued  
16 pursuant to this subsection;

17                   “(ii) court costs; and

18                   “(iii) reasonable attorneys’ fees and  
19 expenses.

20           “(B) DEFINITIONS.—For purposes of this  
21 paragraph:

22                   “(i) ANNUITY ASSIGNEE.—With re-  
23 spect to an annuity recipient, the term ‘an-  
24 nuity assignee’ means a person who has  
25 been assigned or allotted all or part of an

1 annuity from the Fund in violation of this  
 2 subsection or the regulations issued pursu-  
 3 ant to this subsection.

4 “(ii) ANNUITY RECIPIENT.—The term  
 5 ‘annuity recipient’ means an individual en-  
 6 titled to an annuity from the Fund.”.

7 **SEC. 4. BUREAU OF CONSUMER FINANCIAL PROTECTION**  
 8 **PROVISIONS.**

9 (a) REGULATION OF FEDERAL OR MILITARY PEN-  
 10 SION-RELATED PRODUCTS.—Section 1032(f) of the Con-  
 11 sumer Financial Protection Act of 2010 (12 U.S.C.  
 12 5532(f)) is amended by adding at the end the following:

13 “(g) REGULATION OF FEDERAL OR MILITARY PEN-  
 14 SION-RELATED PRODUCTS.—

15 “(1) IN GENERAL.—The Bureau shall issue  
 16 regulations to require a person offering a Federal or  
 17 military pension-related product to provide addi-  
 18 tional disclosures when advertising or selling such  
 19 product, sufficient to allow consumers to understand  
 20 how their pension relates to the product.

21 “(2) DEFINITIONS DEFINED.—For purposes of  
 22 this subsection:

23 “(A) FEDERAL OR MILITARY PENSION.—  
 24 The term ‘Federal or military pension’ means—

1 “(i) a benefit described under section  
2 5301(a) of title 38, United States Code;

3 “(ii) retired pay to an enlisted mem-  
4 ber of the Army, Navy, Air Force, or Ma-  
5 rine Corps; and

6 “(iii) an annuity described under sec-  
7 tion 8345 or 8465 of title 5, United States  
8 Code.

9 “(B) FEDERAL OR MILITARY PENSION-RE-  
10 LATED PRODUCT.—The term ‘Federal or mili-  
11 tary pension-related product’ means a financial  
12 product or service related to a Federal or mili-  
13 tary pension, including any extension of credit  
14 if the creditor, when determining a consumer’s  
15 ability to repay the extension of credit, takes  
16 the pension into consideration.”.

17 (b) STUDY BY THE BUREAU.—

18 (1) IN GENERAL.—The Bureau of Consumer  
19 Financial Protection shall carry out a study of fi-  
20 nancial products and services that target military re-  
21 tirees and Federal employee retirees.

22 (2) REPORT.—Not later than the end of the 3-  
23 month period beginning on the date of the enact-  
24 ment of this Act, the Bureau shall issue a report to  
25 the Congress containing all findings and determina-

- 1 tions made in carrying out the study required under
- 2 this subsection.

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