

119TH CONGRESS
1ST SESSION

H. R. 1109

To amend title 28, United States Code, to provide for transparency and oversight of third-party beneficiaries in civil actions.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2025

Mr. ISSA (for himself, Mr. COLLINS, and Mr. FITZGERALD) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 28, United States Code, to provide for transparency and oversight of third-party beneficiaries in civil actions.

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 “Litigation Trans-
5 parency Act of 2025”.

6 **SEC. 2. TRANSPARENCY AND OVERSIGHT OF THIRD-PARTY**
7 **BENEFICIARIES IN CIVIL CASES.**

8 (a) IN GENERAL.—Chapter 111 of title 28, United
9 States Code, is amended by adding at the end the fol-
10 lowing:

1 **“§ 1660. Third-party beneficiary disclosure**

2 “(a) IN GENERAL.—Except as provided in subsection
3 (b), in any civil action, a party or any counsel of record
4 for a party shall—

5 “(1) disclose in writing to the court and all
6 other named parties to the civil action the identity
7 of any person (other than counsel of record) that
8 has a right to receive any payment or thing of value
9 that is contingent on the outcome of the civil action
10 or a group of actions of which the civil action is a
11 part; and

12 “(2) produce to the court and to each other
13 named party to the civil action, for inspection and
14 copying, any agreement creating a contingent right
15 referred to in paragraph (1), including any ancillary
16 agreement or document, except as otherwise stipu-
17 lated or ordered by the court.

18 “(b) EXCEPTION.—The requirements under sub-
19 section (a) shall not apply with respect to a person that
20 has a right to receive payment described in subsection
21 (a)(1) if the right to receive payment is solely—

22 “(1) the repayment of the principal of a loan;

23 “(2) the repayment of the principal of a loan
24 plus interest that does not exceed the higher of 7
25 percent or a rate two times the annual average 30-
26 year constant maturity Treasury yield, as published

1 by the Board of Governors of the Federal Reserve
2 System, for the year preceding the date on which the
3 relevant agreement was executed; or

4 “(3) the reimbursement of attorney’s fees.

5 “(c) TIMING.—The disclosures required by subsection
6 (a) shall be made not later than the later of—

7 “(1) 10 days after the execution of any agree-
8 ment described in subsection (a)(2); or

9 “(2) the time of the filing of the action before
10 the court.

11 “(d) DUTY TO CORRECT.—A party or counsel of
12 record that made a disclosure required by this section shall
13 supplement or correct each such disclosure in a timely
14 manner—

15 “(1) if such party or counsel of record learns
16 that the disclosure is or has become incomplete or
17 incorrect in some material respect, if the additional
18 or corrective information has not otherwise been
19 made known to the other parties during the dis-
20 covery process or in writing; or

21 “(2) as ordered by the court.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 for chapter 111 of title 28, United States Code, is amend-
24 ed by adding at the end the following:

“1660. Third-party beneficiary disclosure.”.

1 **SEC. 3. APPLICABILITY.**

2 The amendments made by this Act shall apply to any
3 civil action pending on or commenced after the date of
4 enactment of this Act.

