

119TH CONGRESS  
1ST SESSION

# S. 381

To amend the Truth in Lending Act to cap credit card interest rates at  
10 percent.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 2025

Mr. SANDERS (for himself and Mr. HAWLEY) introduced the following bill;  
which was read twice and referred to the Committee on Banking, Hous-  
ing, and Urban Affairs

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## A BILL

To amend the Truth in Lending Act to cap credit card  
interest rates at 10 percent.

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 “10 Percent Credit Card  
5 Interest Rate Cap Act”.

6       **SEC. 2. CAP ON CREDIT CARD INTEREST RATES.**

7       (a) IN GENERAL.—Section 107 of the Truth in Lend-  
8 ing Act (15 U.S.C. 1606) is amended by adding at the  
9 end the following:

1       “(f)(1) The annual percentage rate applicable to an  
2 extension of credit obtained by use of a credit card may  
3 not exceed 10 percentage points, inclusive of all finance  
4 charges.

5       “(2) Any fees that are not considered finance charges  
6 under section 106(a) may not be used to evade the limita-  
7 tions of paragraph (1), and the total sum of such fees may  
8 not exceed the total amount of finance charges assessed.

9       “(3) The taking, receiving, reserving, or charging of  
10 a credit card annual percentage rate or fee greater than  
11 that permitted under this subsection, when knowingly  
12 done, shall be deemed a violation of this title, and a for-  
13 feiture of the entire interest which the note, bill, or other  
14 evidence of the obligation carries with it, or which has  
15 been agreed to be paid thereon.

16       “(4) If a credit card annual percentage rate or fee  
17 greater than that permitted under this subsection has  
18 been paid, the person by whom it has been paid, or the  
19 legal representative thereof, may, by bringing an action  
20 not later than 2 years after the date on which the usurious  
21 collection was last made, recover back from the lender in  
22 an action in the nature of an action of debt, the entire  
23 amount of interest, finance charges, or fees paid.

24       “(5) Any creditor who violates this subsection shall  
25 be subject to the provisions of section 130.

1       “(g) Nothing in this section may be construed to pre-  
 2       empt any provision of State law that provides greater pro-  
 3       tection to consumers than is provided under this section.”.

4       (b) TECHNICAL AND CONFORMING AMENDMENT.—  
 5       Section 130(a) of the Truth in Lending Act (15 U.S.C.  
 6       1640(a)) is amended, in the matter preceding paragraph  
 7       (1), by inserting “section 107(f),” before “this chapter”.

8       (c) SUNSET.—

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

11               (A) in section 107 (15 U.S.C. 1606), by  
 12       striking subsections (f) and (g); and

13               (B) in section 130(a) (15 U.S.C. 1640(a)),  
 14       in the matter preceding paragraph (1), by strik-  
 15       ing “section 107(f),”.

16       (2) EFFECTIVE DATE.—The amendments made  
 17       by paragraph (1) shall take effect on January 1,  
 18       2031.

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