AMENDMENT TO H.R. 627, AS REPORTED

OFFERED BY MRS. Maloney of New York and Ms. Watson of California

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:

1 "(m) OPT-IN REQUIRED FOR OVER-THE-LIMIT
2 TRANSACTIONS IF FEES ARE IMPOSED.—
3 "(1) IN GENERAL.—In the case of any credit
4 card account under an open end consumer credit
5 plan under which an over-the-limit-fee may be im-
6 posed by the creditor for any extension of credit in
7 excess of the amount of credit authorized to be ex-
8 tended under such account, no such fee shall be
9 charged unless the consumer has elected to permit
10 the creditor, with respect to such account, to com-
11 plete transactions involving the extension of credit,
12 with respect to such account, in excess of the
13 amount of credit authorized.
14 "(2) DISCLOSURE BY CREDITOR.—No election
15 by a consumer under paragraph (1) shall take effect
16 unless the consumer, before making such election,
17 received a notice from the creditor of any over-the-

1 limit fee in the form and manner, and at the time,
2 determined by the Board.'
3 "(3) FORM OF ELECTION.—A consumer may
4 make the election referred to in paragraph (1) orally
5 or in writing.
6 "(4) TIME OF ELECTION.—A consumer may
7 make the election referred to in paragraph (1) at
8 any time and it shall be effective until the election
9 is revoked by the consumer orally or in writing.
10 "(5) REGULATIONS.—
11 "(A) IN GENERAL.—The Board shall issue
12 regulations allowing for the completion of over-
13 the-limit transactions that for operational rea-
14 sons exceed the credit limit by a de minimis
15 amount, even where the cardholder has not
16 made an election under paragraph (1).
17 "(B) SUBJECT TO NO FEE LIMITATION.—
18 The regulations prescribed under subparagraph
19 (A) shall not allow for the imposition of any fee
20 or any rate increase based on the permitted
21 over-the-limit transactions with respect to the
22 account of any cardholder who has not made
23 the election in paragraph (1).

1 "(C) DISCLOSURES.—The Board shall pre-
2 scribe regulations governing any disclosure
3 under this subsection.".