

Amendment to H.R. 833, As Reported

**Offered by Mr. Moran of Virginia (for himself and
Mr. Dooley of California, and Mr. Ackerman of
New York)**

Page 34, strike lines 7 through 25 and insert the
following:

1 “(C) the following examples:
2 “(i) if the average account balance
3 under a creditor’s open-end consumer cred-
4 it plan, taken as an average of the account
5 balances for all consumer accounts under
6 that open-end consumer credit plan, is
7 \$1,000 or less, two examples, based on an
8 annual percentage rate and method for de-
9 termining minimum periodic payments re-
10 cently in effect for that creditor, and based
11 on outstanding balances of \$250 and \$500,
12 showing the estimated minimum periodic
13 payments, and the estimated period of time
14 it would take to repay those outstanding
15 balances of \$250 and \$500, if the con-
16 sumer paid only the minimum periodic
17 payment on each monthly or periodic state-

1 ment and obtained no additional extensions
2 of credit; or

3 “ (ii) if the average account balance
4 under a creditor’s open-end consumer cred-
5 it plan, taken as an average of the account
6 balances for all consumer accounts under
7 that open-end consumer credit plan, is
8 more than \$1,000, three examples, based
9 on an annual percentage rate and method
10 for determining minimum periodic pay-
11 ments recently in effect for that creditor,
12 and outstanding balances of \$1,000,
13 \$1,500 and \$2,000, showing the estimated
14 minimum periodic payments, and the esti-
15 mated period of time it would take to
16 repay those outstanding balances of
17 \$1,000, \$1,500 and \$2,000 if the con-
18 sumer paid only the minimum periodic
19 payment on each monthly or periodic state-
20 ment and obtained no additional extensions
21 of credit.

22 “(10) With respect to one billing cycle per cal-
23 endar year, the creditor shall transmit to each con-
24 sumer to whom the creditor is required to transmit

1 a statement pursuant to subsection (b) for such bill-
2 ing cycle the following information:

3 “(A) the following statement: ‘The mini-
4 mum payment amount shown on your billing
5 statement is the smallest payment which you
6 can make in order to keep the account in good
7 standing. This payment option is offered as a
8 convenience and you may make larger payments
9 at any time. Making only the minimum pay-
10 ment each month will increase the amount of
11 interest you pay and the length of time it takes
12 to repay your outstanding balance.’;

13 “(B) if the plan provides that the con-
14 sumer will be permitted to forgo making a mini-
15 mum payment during a specified billing cycle, a
16 statement, if applicable, that if the consumer
17 chooses to forgo making the minimum payment,
18 finance charges will continue to accrue;

19 “(C) an example, based on an annual per-
20 centage rate and method for determining mini-
21 mum periodic payments recently in effect for
22 that creditor, and a \$500 outstanding balance,
23 showing the estimated minimum periodic pay-
24 ment, and the estimated period of time it would
25 take to repay the \$500 outstanding balance if

1 the consumer paid only the minimum periodic
2 payment on each monthly or periodic statement
3 and obtained no additional extensions of credit;
4 and

5 “(D) a worksheet prescribed by the Board
6 to assist the consumer in determining the con-
7 sumer’s household income and debt obliga-
8 tions.”.

Page 35, line 12, strike the close quotation marks
and the period at the end.

Page 35, after line 12 insert the following:

9 “(12) the required minimum payment amount
10 represented as a dollar figure.

11 “(13) the date by which or the period within
12 which the required minimum payment must be
13 made.”.

14 (c) DISCLOSURES RELATED TO INTRODUCTORY
15 RATES.—Section 127(c)(1)(A)(i) of the Truth in Lending
16 Act (15 U.S.C. 1637(c)(1)(A)(i)) is amended by inserting
17 the following at the end of subclause (III):

18 “(IV) Where the initial rate is tem-
19 porary and will expire within a period of
20 less than 1 year, and is lower than the rate

1 that will apply after the temporary rate
2 expires—

3 “(A) the time period during
4 which the initial rate will remain in
5 effect; and

6 “(B) the annual percentage rate
7 that will apply to the account after
8 the temporary rate expires, or if that
9 rate is a variable rate, the fact that
10 the rate is variable, the rate at the
11 time of mailing, and how the rate is
12 determined.

13 “(V)(A) Subject to subclauses (C) and
14 (D), where the initial rate may increase
15 upon the occurrence of one or more spe-
16 cific events, the following information:

17 “(i) the initial rate and the in-
18 creased rate that may apply;

19 “(ii) if the increased rate is a
20 variable rate, the fact that the in-
21 creased rate is variable, the rate at
22 the time of mailing, and how the rate
23 is determined; and

1 “(iii) the specific event or events
2 that may result in imposing the in-
3 creased rate.

4 “(B) At the creditor’s option, the
5 creditor may disclose the period for which
6 the increased rate will remain in effect.

7 “(C) If the increased rate cannot be
8 determined at the time disclosures are
9 given, an explanation of the specific event
10 or events that may result in an increased
11 rate must be disclosed.

12 “(D) A creditor is not required to dis-
13 close an increased rate that is imposed
14 when credit privileges are permanently ter-
15 minated.”.

16 (d) INTERNET-BASED CREDIT CARD SOLICITA-
17 TIONS.—(1)Section 127(c) of the Truth in Lending Act
18 (15 U.S.C. 1637(c)) is amended by inserting after para-
19 graph (5) the following:

20 “(6)(A) Any application to open a credit card
21 account for any person under an open-end consumer
22 credit plan, and any solicitation to open such an ac-
23 count without requiring an application, that is made
24 available through the Internet or an interactive com-
25 puter service, shall disclose the following:

1 “(i) the information.—

2 “(I) described in paragraph (1)(A) in
3 the form required under section 122(c) of
4 this chapter, subject to subsection (e), and

5 “(II) described in paragraph (1)(B) in
6 a clear and conspicuous form, subject to
7 subsections (e) and (f);

8 “(ii) a statement, in a conspicuous and
9 prominent location on or with the application or
10 solicitation, that—

11 “(I) the information is accurate as of
12 the date the application or solicitation was
13 posted;

14 “(II) the information contained in the
15 application or solicitation is subject to
16 change after such date;

17 “(III) the applicant should contact the
18 creditor for information on any change in
19 the information presented on or with the
20 application or solicitation since it was post-
21 ed;

22 “(iii) a clear and conspicuous disclosure of
23 the date the application or solicitation was post-
24 ed and how frequently the information de-
25 scribed in subclause (i) is updated; and

1 “(iv) a disclosure, in a conspicuous and
2 prominent location on or with the application or
3 solicitation, of a toll-free telephone number or
4 e-mail address at which the applicant may con-
5 tact the creditor to obtain any change in the in-
6 formation provided on or with the application or
7 solicitation since it was posted.

8 “(B) The disclosures required under subparagraph
9 (A) may be contained either:

10 “(i) on the webpage which contains the applica-
11 tion or solicitation; or

12 “(ii) on a separate webpage which can be di-
13 rectly accessed using a hypertext link which is con-
14 tained on the webpage which contains the applica-
15 tion or solicitation.

16 “(C) Upon receipt of a request for any of the infor-
17 mation referred to in subparagraph (A), the creditor or
18 its agent shall promptly disclose any change in the infor-
19 mation required to be disclosed under subparagraph (A).

20 “(D) For purposes of this paragraph (6)—

21 “(i) the term ‘Internet’ means the international
22 computer network of both Federal and non-Federal
23 interoperable packets switched data networks; and

24 “(ii) the term ‘interactive computer service’
25 means any information service system, or access

1 software provider that provides or enables computer
2 access by multiple users to a computer server, in-
3 cluding specifically a service or system that provides
4 access to the Internet and such systems operated or
5 services offered by libraries or educational institu-
6 tions.”.

7 (2) Section 122(c)(1) of the Truth in Lending Act
8 (15 U.S.C. 1632(c)(1)) is amended by striking “and
9 (4)(C)(i)(I)” and inserting “, (4)(C)(i)(I) and
10 (6)(A)(i)(I)”.