

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3639

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## AN ACT

To amend the Credit Card Accountability Responsibility and Disclosure Act of 2009 to establish an earlier effective date for various consumer protections, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Expedited CARD Re-  
3 form for Consumers Act of 2009”.

4 **SEC. 2. EARLIER EFFECTIVE DATE FOR CREDIT CARD PRO-**  
5 **VISIONS OF THE CREDIT CARD ACT OF 2009.**

6 Section 3 of the Credit Card Accountability Responsi-  
7 bility and Disclosure Act of 2009 (15 U.S.C. 1602 note)  
8 is amended—

9 (1) by striking “This Act” and inserting “(a)  
10 IN GENERAL.—This Act”; and

11 (2) by adding at the end the following new sub-  
12 sections:

13 “(b) CERTAIN CREDIT CARD PROVISIONS.—Except  
14 as otherwise specifically provided in this Act, titles I, II,  
15 and III, and the amendments made by such titles, shall  
16 take effect on the date of the enactment of the Expedited  
17 CARD Reform for Consumers Act of 2009.

18 “(c) CERTAIN CREDIT CARD ISSUERS.—Except as  
19 otherwise specifically provided in this Act and notwith-  
20 standing subsection (b), the effective date established  
21 under subsection (a) shall apply with respect to the appli-  
22 cation of titles I, II, and III, and the amendments made  
23 by such titles, to any credit card issuer which is a deposi-  
24 tory institution (as defined in section 19(b)(1)(A) of the  
25 Federal Reserve Act) with fewer than 2,000,000 credit

1 cards in circulation as of the date of the enactment of this  
2 Act.”.

3 **SEC. 3. EARLIER EFFECTIVE DATES FOR SPECIFIC PROVI-**  
4 **SIONS TO PREVENT FURTHER ABUSES.**

5 (a) REVIEW OF PAST CONSUMER INTEREST RATE  
6 INCREASES.—Section 148(d) of the Truth in Lending Act  
7 (15 U.S.C. 1665c(d)) (as added by section 101(c) of the  
8 Credit Card Accountability Responsibility and Disclosure  
9 Act of 2009) is amended—

10 (1) by striking “9 months after the date of en-  
11 actment of this section” and inserting “the date of  
12 the enactment of the Expedited CARD Reform for  
13 Consumers Act of 2009, except that for a depository  
14 institution, as defined in section 19(b)(1)(A) of the  
15 Federal Reserve Act (12 U.S.C. 461(b)(1)(A)), with  
16 fewer than 2 million credit cards in circulation on  
17 the date of the enactment of the Expedited CARD  
18 Reform for Consumers Act of 2009, the effective  
19 date shall be February 22, 2010,”; and

20 (2) by striking “become effective 15 months  
21 after that date of enactment” and inserting “take  
22 effect on the date of the enactment of the Expedited  
23 CARD Reform for Consumers Act of 2009, except  
24 that for a depository institution, as defined in sec-  
25 tion 19(b)(1)(A) of the Federal Reserve Act (12

1 U.S.C. 461(b)(1)(A)), with fewer than 2 million  
2 credit cards in circulation on the date of the enact-  
3 ment of the Expedited CARD Reform for Con-  
4 sumers Act of 2009, the effective date shall be Au-  
5 gust 22, 2010”.

6 (b) REQUIREMENT THAT PENALTY FEES BE REA-  
7 SONABLE AND PROPORTIONAL TO THE VIOLATION.—Sec-  
8 tion 149(b) of the Truth in Lending Act (15 U.S.C.  
9 1665d(b)) (as added by section 102(b) of the Credit Card  
10 Accountability Responsibility and Disclosure Act of 2009)  
11 is amended—

12 (1) by striking “9 months after the date of en-  
13 actment of this section,” and inserting “the date of  
14 the enactment of the Expedited CARD Reform for  
15 Consumers Act of 2009, except that for a depository  
16 institution, as defined in section 19(b)(1)(A) of the  
17 Federal Reserve Act (12 U.S.C. 461(b)(1)(A)), with  
18 fewer than 2 million credit cards in circulation on  
19 the date of the enactment of the Expedited CARD  
20 Reform for Consumers Act of 2009, the effective  
21 date shall be February 22, 2010,”; and

22 (2) by striking “become effective 15 months  
23 after the date of enactment of the section” and in-  
24 serting “take effect on the date of the enactment of  
25 the Expedited CARD Reform for Consumers Act of

1 2009, except that for a depository institution, as de-  
2 fined in section 19(b)(1)(A) of the Federal Reserve  
3 Act (12 U.S.C. 461(b)(1)(A)), with fewer than 2  
4 million credit cards in circulation on the date of the  
5 enactment of the Expedited CARD Reform for Con-  
6 sumers Act of 2009, the effective date shall be Au-  
7 gust 22, 2010”.

8 **SEC. 4. CLARIFICATION THAT 45-DAY DELAY DOES NOT**  
9 **APPLY TO REDUCTIONS IN INTEREST RATES**  
10 **AND FEES.**

11 Subsection (i) of section 127 of the Truth in Lending  
12 Act (15 U.S.C. 1637) (as added by section 101(a)(1) of  
13 the Credit CARD Act of 2009) is amended by adding at  
14 the end the following new paragraph:

15 “(5) CLARIFICATION.—No provision of this  
16 subsection shall be construed as preventing any  
17 creditor from putting any reduction in an annual  
18 percentage rate, any decrease or elimination of any  
19 fee imposed on any consumer, or any significant  
20 change in terms solely or primarily for the benefit of  
21 the consumer into effect immediately.”.

1 **SEC. 5. MORATORIUM ON INCREASES IN RATES AND FEES**  
2 **AND CHANGES IN TERMS TO THE DETRIMENT**  
3 **OF THE CONSUMER.**

4 Notwithstanding any other provision of this Act or  
5 any amendment made by this Act, subsection (b) of sec-  
6 tion 164 of the Truth in Lending Act (as added by section  
7 104(4) of the Credit Card Accountability Responsibility  
8 and Disclosure Act of 2009 (Public Law 111–24)) shall  
9 not take effect until February 22, 2010, for any creditor  
10 with respect to an existing credit card account under an  
11 open end credit plan, or such a plan issued on or after  
12 the date of enactment, as long as the creditor does not—

13 (1) increase any annual percentage rate, fee, or  
14 finance charge applicable to any existing or future  
15 balance, except as permitted under subsection  
16 171(b) of the Truth in Lending Act (as added by  
17 Public Law 111–24); or

18 (2) change the terms to the detriment of a con-  
19 sumer, including terms governing the repayment of  
20 any outstanding balance, except as provided in sec-  
21 tion 171(c) of the Truth in Lending Act (as added  
22 by Public Law 111–24).

23 **SEC. 6. ADDITIONAL LIMITATIONS ESTABLISHED.**

24 Section 127 of the Truth in Lending Act (15 U.S.C.  
25 1637) is amended by inserting after subsection (r) (as

1 added by the Credit CARD Act of 2009) the following new  
2 subsection:

3 “(s) CANCELLATION OF ACCOUNT WITHOUT DETRI-  
4 MENTAL EFFECT.—If, in the case of a credit card account  
5 under an open end consumer credit plan, the consumer  
6 receives notice of the imposition of a new fee, and within  
7 the 45-day period beginning on receipt of such notice, pays  
8 off any outstanding balance on the account, no creditor  
9 and no consumer reporting agency (as defined in section  
10 603) may use such pay off or closure of the consumer  
11 credit account to negatively impact the consumer’s credit  
12 score or consumer report (as such terms are defined in  
13 sections 609 and 603, respectively).”.

14 **SEC. 7. MORATORIUM ON RATE INCREASES.**

15 (a) IN GENERAL.—During the period beginning on  
16 the date of the enactment of this Act and ending 9 months  
17 after the date of the enactment of the Credit Card Ac-  
18 countability Responsibility and Disclosure Act of 2009, in  
19 the case of any credit card account under an open end  
20 consumer credit plan—

21 (1) no creditor may increase any annual per-  
22 centage rate, fee, or finance charge applicable to any  
23 outstanding balance, except as permitted under sub-  
24 section 171(b) of the Truth in Lending Act (as  
25 added by Public Law 111–24); and

1           (2) no creditor may change the terms governing  
2           the repayment of any outstanding balance, except as  
3           set forth in section 171(c) of the Truth in Lending  
4           Act (as added by Public Law 111–24).

5           (b) DEFINITIONS.—For purposes of this section, the  
6           following definitions shall apply:

7           (1) ANNUAL PERCENTAGE RATE.—The term  
8           “annual percentage rate” means an annual percent-  
9           age rate, as determined under section 107 of the  
10          Truth in Lending Act (15 U.S.C. 1606).

11          (2) FINANCE CHARGE.—The term “finance  
12          charge” means a finance charge, as determined  
13          under section 106 of the Truth in Lending Act (15  
14          U.S.C. 1605).

15          (3) OUTSTANDING BALANCE.—The term “out-  
16          standing balance” has the same meaning as in sec-  
17          tion 171(d) of the Truth in Lending Act (as added  
18          by Public Law 111–24).

19          (4) OTHER TERMS.—Any term used in this sec-  
20          tion that is defined in section 103 of the Truth in  
21          Lending Act (15 U.S.C. 1602) and is not otherwise  
22          defined in this section shall have the same meanings  
23          as in section 103 of the Truth in Lending Act.

24          (c) REGULATORY AUTHORITY.—



1           (1) IN GENERAL.—The Board of Governors of  
2           the Federal Reserve System may prescribe such reg-  
3           ulations as may be necessary to carry out this sec-  
4           tion.

5           (2) EFFECTIVE DATE.— The provisions of this  
6           section shall take effect upon the date of the enact-  
7           ment of this title, regardless of whether rules are  
8           issued under subsection (a).

Passed the House of Representatives November 4,  
2009.

Attest:

*Clerk.*

111<sup>TH</sup> CONGRESS  
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