

114TH CONGRESS  
1ST SESSION

# H. R. 3850

To provide for additional protections and disclosures to consumers when financial products or services are related to the consumers' military or Federal pensions, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2015

Mr. CARTWRIGHT (for himself, Mr. CONNOLLY, Mr. BLUMENAUER, Ms. BROWNLEY of California, Mr. CONYERS, Mr. CUMMINGS, Mr. DELANEY, Ms. EDWARDS, Ms. FRANKEL of Florida, Mr. GARAMENDI, Ms. JACKSON LEE, Ms. KAPTUR, Ms. KELLY of Illinois, Mrs. KIRKPATRICK, Mr. LANGEVIN, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. LYNCH, Ms. NORTON, Mr. POCAN, Mr. TAKANO, Mr. THOMPSON of Mississippi, Ms. TSONGAS, Mr. VAN HOLLEN, Ms. SCHAKOWSKY, and Mr. JONES) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Veterans' Affairs, Armed Services, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for additional protections and disclosures to consumers when financial products or services are related to the consumers' military or Federal pensions, 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 “Annuity Safety and  
3 Security Under Reasonable Enforcement Act of 2015” or  
4 the “ASSURE Act of 2015”.

5 **SEC. 2. CONSIDERATION OF FEDERAL AND MILITARY PEN-**  
6 **SIONS IN EXTENSIONS OF CREDIT.**

7 The Truth in Lending Act (15 U.S.C. 1601 et seq.)  
8 is amended—

9 (1) in section 104(3), by inserting after “other  
10 than” the following: “payments described under sec-  
11 tion 126(a) and”;

12 (2) by inserting after section 125 the following:

13 **“§ 126. Payments in consideration of Federal and**  
14 **military pensions**

15 “(a) DISCLOSURE.—The Bureau shall issue regula-  
16 tions requiring any payment to a benefit recipient, wheth-  
17 er or not such payment is an extension of credit, that di-  
18 minishes the benefit recipient’s ability to control the pay-  
19 ments from their Federal or military pension in any way,  
20 to be treated as an extension of credit for purposes of the  
21 disclosures required under this title.

22 “(b) INTEREST RATE CAP.—With respect to a pay-  
23 ment to a benefit recipient described under subsection  
24 (a)—

25 “(1) if such payment is an extension of con-  
26 sumer credit, a creditor may not impose an annual

1 percentage rate of interest greater than the Federal  
2 funds rate plus 6 percent; and

3 “(2) if such payment is not an extension of con-  
4 sumer credit, the Bureau shall issue regulations re-  
5 quiring that the aggregate amount of cash and prop-  
6 erty paid in exchange for such payment may not ex-  
7 ceed an amount that is equivalent to the interest  
8 rate described under paragraph (1).

9 “(c) DEFINITIONS.—For purposes of this section:

10 “(1) BENEFIT RECIPIENT.—The term ‘benefit  
11 recipient’ means a person who is entitled to pay-  
12 ments under a Federal or military pension.

13 “(2) FEDERAL OR MILITARY PENSION.—The  
14 term ‘Federal or military pension’ means—

15 “(A) a benefit described under section  
16 5301(a) of title 38, United States Code;

17 “(B) retired pay to an enlisted member of  
18 the Army, Navy, Air Force, Marine Corps, or  
19 Coast Guard; and

20 “(C) an annuity described under section  
21 8345 or 8465 of title 5, United States Code.

22 “(3) FEDERAL FUNDS RATE.—For purposes of  
23 this section, the term ‘Federal funds rate’ means the  
24 Federal funds rate published in the Federal Reserve  
25 Statistical Release on selected interest rates (daily or

1 weekly), and commonly referred to as the H.15 re-  
 2 lease (or any successor publication).”; and

3 (3) in the table of contents for chapter 2 of  
 4 such Act, by inserting after the item relating to sec-  
 5 tion 125 the following:

“126. Payments in consideration of Federal and military pensions.”.

6 **SEC. 3. CLARIFICATION OF ASSIGNMENTS; PRIVATE**  
 7 **RIGHTS OF ACTIONS.**

8 (a) VETERANS BENEFITS.—Section 5301 of title 38,  
 9 United States Code, is amended by adding at the end the  
 10 following:

11 “(f) PRIVATE RIGHT OF ACTION.—

12 “(1) IN GENERAL.—A benefit recipient may  
 13 bring an action against a pension assignee in the ap-  
 14 propriate Federal or State court and recover—

15 “(A) three times the damages suffered due  
 16 to the assignment made in violation of this sec-  
 17 tion;

18 “(B) court costs; and

19 “(C) reasonable attorneys’ fees and ex-  
 20 penses.

21 “(2) DEFINITIONS.—For purposes of this sub-  
 22 section:

23 “(A) BENEFIT RECIPIENT.—The term  
 24 ‘benefit recipient’ means a person with respect

1 to which payments of benefits described under  
2 this section are due or are to become due.

3 “(B) PENSION ASSIGNEE.—With respect to  
4 a benefit recipient, the term ‘pension assignee’  
5 means a person who has been assigned the ben-  
6 efits of the benefit recipient in violation of this  
7 section.”.

8 (b) MILITARY RETIRED PAY.—Section 701 of title  
9 37, United States Code, is amended by adding at the end  
10 the following:

11 “(f) CLARIFICATION ON NON-ASSIGNMENT OF RE-  
12 TIRED PAY FOR ENLISTED MEMBERS.—

13 “(1) IN GENERAL.—For purposes of this sub-  
14 section (c), in any case where an enlisted member is  
15 entitled to retired pay and enters into an agreement  
16 with another person under which agreement such  
17 other person acquires for consideration the right to  
18 receive payment of such retired pay, whether by pay-  
19 ment from the member to such other person, deposit  
20 into an account from which such other person may  
21 make withdrawals, or otherwise, such agreement  
22 shall be deemed to be an assignment and is prohib-  
23 ited. Any agreement or arrangement for collateral  
24 for security for an agreement that is prohibited  
25 under the previous sentence is also prohibited.

1 “(2) PRIVATE RIGHT OF ACTION.—

2 “(A) IN GENERAL.—A retired pay recipi-  
3 ent may bring an action against a retired pay  
4 assignee in the appropriate Federal or State  
5 court and recover—

6 “(i) three times the damages suffered  
7 due to the assignment of retired pay made  
8 in violation of this section;

9 “(ii) court costs; and

10 “(iii) reasonable attorneys’ fees and  
11 expenses.

12 “(B) DEFINITIONS.—For purposes of this  
13 subsection:

14 “(i) RETIRED PAY RECIPIENT.—The  
15 term ‘retired pay recipient’ means a person  
16 with respect to which retired pay described  
17 under this section is due or is to become  
18 due.

19 “(ii) RETIRED PAY ASSIGNEE.—With  
20 respect to a retired pay recipient, the term  
21 ‘retired pay assignee’ means a person who  
22 has been assigned or allotted the retired  
23 pay of the retired pay recipient in violation  
24 of this section.”.

1 (c) CSRS ANNUITIES.—Section 8345(h) of title 5,  
2 United States Code, is amended to read as follows:

3 “(h) NON-ASSIGNMENT OF ANNUITIES.—

4 “(1) IN GENERAL.—An individual entitled to an  
5 annuity from the Fund may not make allotments or  
6 assignments of amounts from such annuity.

7 “(2) CONSTRUCTION.—For purposes of this  
8 subsection—

9 “(A) in any case where an individual enti-  
10 tled to an annuity from the Fund enters into an  
11 agreement with another person under which  
12 agreement such other person acquires for con-  
13 sideration the right to receive payment of such  
14 annuity, whether by payment from the indi-  
15 vidual to such other person, deposit into an ac-  
16 count from which such other person may make  
17 withdrawals, or otherwise, such agreement shall  
18 be deemed to be an assignment and is prohib-  
19 ited; and

20 “(B) any agreement or arrangement for  
21 collateral for security for an agreement that is  
22 prohibited under subparagraph (A) is also pro-  
23 hibited.

1           “(3) EXCEPTION.—Paragraphs (1) and (2)  
2 shall not apply to amounts used to pay dues to  
3 unions or other employee organizations.

4           “(4) PRIVATE RIGHT OF ACTION.—

5           “(A) IN GENERAL.—An annuity recipient  
6 may bring an action against an annuity as-  
7 signee in the appropriate Federal or State court  
8 and recover—

9           “(i) three times the damages suffered  
10 due to the assignment made in violation of  
11 this subsection or the regulations issued  
12 pursuant to this subsection;

13           “(ii) court costs; and

14           “(iii) reasonable attorneys’ fees and  
15 expenses.

16           “(B) DEFINITIONS.—For purposes of this  
17 paragraph:

18           “(i) ANNUITY ASSIGNEE.—With re-  
19 spect to an annuity recipient, the term ‘an-  
20 nuity assignee’ means a person who has  
21 been assigned or allotted all or part of an  
22 annuity from the Fund in violation of this  
23 subsection or the regulations issued pursu-  
24 ant to this subsection.



1                   “(ii) ANNUITY RECIPIENT.—The term  
2                   ‘annuity recipient’ means an individual en-  
3                   titled to an annuity from the Fund.”.

4           (d) FERS ANNUITIES.—Section 8465(b) of title 5,  
5 United States Code, is amended to read as follows:

6           “(b) NON-ASSIGNMENT OF ANNUITIES.—

7                   “(1) IN GENERAL.—An individual entitled to an  
8                   annuity from the Fund may not make allotments or  
9                   assignments of amounts from such annuity.

10                   “(2) CONSTRUCTION.—For purposes of this  
11                   subsection—

12                           “(A) in any case where an individual enti-  
13                           tled to an annuity from the Fund enters into an  
14                           agreement with another person under which  
15                           agreement such other person acquires for con-  
16                           sideration the right to receive payment of such  
17                           annuity, whether by payment from the indi-  
18                           vidual to such other person, deposit into an ac-  
19                           count from which such other person may make  
20                           withdrawals, or otherwise, such agreement shall  
21                           be deemed to be an assignment and is prohib-  
22                           ited; and

23                           “(B) any agreement or arrangement for  
24                           collateral for security for an agreement that is

1 prohibited under subparagraph (A) is also pro-  
2 hibited.

3 “(3) EXCEPTION.—Paragraphs (1) and (2)  
4 shall not apply to amounts used to pay dues to  
5 unions or other employee organizations.

6 “(4) PRIVATE RIGHT OF ACTION.—

7 “(A) IN GENERAL.—An annuity recipient  
8 may bring an action against an annuity as-  
9 signee in the appropriate Federal or State court  
10 and recover—

11 “(i) three times the damages suffered  
12 due to the assignment made in violation of  
13 this subsection or the regulations issued  
14 pursuant to this subsection;

15 “(ii) court costs; and

16 “(iii) reasonable attorneys’ fees and  
17 expenses.

18 “(B) DEFINITIONS.—For purposes of this  
19 paragraph:

20 “(i) ANNUITY ASSIGNEE.—With re-  
21 spect to an annuity recipient, the term ‘an-  
22 nuity assignee’ means a person who has  
23 been assigned or allotted all or part of an  
24 annuity from the Fund in violation of this

1 subsection or the regulations issued pursu-  
2 ant to this subsection.

3 “(ii) ANNUITY RECIPIENT.—The term  
4 ‘annuity recipient’ means an individual en-  
5 titled to an annuity from the Fund.”

6 **SEC. 4. BUREAU OF CONSUMER FINANCIAL PROTECTION**  
7 **PROVISIONS.**

8 (a) REGULATION OF FEDERAL OR MILITARY PEN-  
9 SION-RELATED PRODUCTS.—Section 1032(f) of the Con-  
10 sumer Financial Protection Act of 2010 (12 U.S.C.  
11 5532(f)) is amended by adding at the end the following:

12 “(g) REGULATION OF FEDERAL OR MILITARY PEN-  
13 SION-RELATED PRODUCTS.—

14 “(1) IN GENERAL.—The Bureau shall issue  
15 regulations to require a person offering a Federal or  
16 military pension-related product to provide addi-  
17 tional disclosures when advertising or selling such  
18 product, sufficient to allow consumers to understand  
19 how their pension relates to the product.

20 “(2) DEFINITIONS DEFINED.—For purposes of  
21 this subsection:

22 “(A) FEDERAL OR MILITARY PENSION.—

23 The term ‘Federal or military pension’ means—

24 “(i) a benefit described under section  
25 5301(a) of title 38, United States Code;

1                   “(ii) retired pay to an enlisted mem-  
2                   ber of the Army, Navy, Air Force, Marine  
3                   Corps, or Coast Guard; and

4                   “(iii) an annuity described under sec-  
5                   tion 8345 or 8465 of title 5, United States  
6                   Code.

7                   “(B) FEDERAL OR MILITARY PENSION-RE-  
8                   LATED PRODUCT.—The term ‘Federal or mili-  
9                   tary pension-related product’ means a financial  
10                  product or service related to a Federal or mili-  
11                  tary pension, including any extension of credit  
12                  if the creditor, when determining a consumer’s  
13                  ability to repay the extension of credit, takes  
14                  the pension into consideration.”.

15                  (b) STUDY BY THE BUREAU.—

16                   (1) IN GENERAL.—The Bureau of Consumer  
17                  Financial Protection shall carry out a study of fi-  
18                  nancial products and services that target military re-  
19                  tirees and Federal employee retirees.

20                   (2) REPORT.—Not later than the end of the 3-  
21                  month period beginning on the date of the enact-  
22                  ment of this Act, the Bureau shall issue a report to  
23                  the Congress containing all findings and determina-

- 1 tions made in carrying out the study required under
- 2 this subsection.

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