

116TH CONGRESS  
2D SESSION

# H. R. 6544

To establish a moratorium on collection efforts made by certain lenders  
against borrowers affected by coronavirus.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2020

Mr. MEEKS introduced the following bill; which was referred to the Committee  
on Financial Services

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## A BILL

To establish a moratorium on collection efforts made by  
certain lenders against borrowers affected by coronavirus.

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 “Payday and Predatory  
5 Loans Moratorium Act of 2020”.

6 **SEC. 2. MORATORIUM ON COLLECTION EFFORTS FOR CER-**  
7 **TAIN BORROWERS AFFECTED BY**  
8 **CORONAVIRUS.**

9 (a) MORATORIUM.—During the one-year period be-  
10 ginning on the date on which a borrower notifies a covered

1 lender of the borrower being affected by coronavirus, the  
2 covered lender may not carry out any collection efforts  
3 against the borrower with respect to a loan described in  
4 subsection (b).

5 (b) LOAN DESCRIBED.—A loan described in this sub-  
6 section is any of the following loans:

7 (1) A loan with nominal interest rates of 36  
8 percent or more.

9 (2) A loan by a covered lender described in sub-  
10 section (c)(3)(B) that does not, or did not at the  
11 time of issuing the loan, determine whether the bor-  
12 rower can afford, while still meeting the basic living  
13 expenses and major financial obligations of the bor-  
14 rower—

15 (A) with respect to payday and auto title  
16 loans that are due in one lump sum within one  
17 month of the date of such issuance, the full  
18 payment of the total loan amount, plus fees and  
19 finance charges; or

20 (B) with respect to longer-term loans with  
21 a balloon payment, the payments for the month  
22 with the highest total payments on the loan.

23 (c) DEFINITIONS.—

1           (1) AFFECTED BY CORONAVIRUS.—The term  
2           “affected by coronavirus” means, with respect to a  
3           borrower, any of the following circumstances:

4                   (A) The household income of the borrower  
5           is reduced by reason of coronavirus disease  
6           2019 (COVID–19).

7                   (B) The borrower becomes unemployed by  
8           reason of such disease.

9                   (C) The borrower, or a member of the  
10          household of the borrower, is hospitalized by  
11          reason of such disease.

12                  (D) The borrower resides or is employed in  
13          an area covered by an emergency declared by  
14          the Federal Government or a State or local gov-  
15          ernment as a result of such disease.

16          (2) COLLECTION EFFORTS.—The term “collec-  
17          tion efforts” means any of the following actions, or  
18          attempted actions, made by a covered lender (or a  
19          collection agency acting on behalf of the covered  
20          lender) in order to collect amounts owed to the lend-  
21          er by a borrower:

22                   (A) Contacting the borrower by telephone,  
23          including by text message.

24                   (B) Contacting the employer of the bor-  
25          rower.

1 (C) Cashing post-dated checks of the bor-  
2 rower or making a direct withdrawal from a  
3 bank account of the borrower.

4 (D) Entering into an agreement with a col-  
5 lections agency to collect such amounts.

6 (E) Reporting to a credit reporting agency  
7 any missed payments related to such amounts.

8 (F) Any other effort not described in sub-  
9 paragraphs (A) through (E) to enforce the col-  
10 lection of the amounts or the making of pay-  
11 ments related to such amounts.

12 (3) COVERED LENDER.—The term “covered  
13 lender” means any of the following:

14 (A) A payday lender.

15 (B) A lender who is not a depository insti-  
16 tution (as defined under section 3 of the Fed-  
17 eral Deposit Insurance Act (12 U.S.C. 1813))  
18 or a Federal or State credit union (as such  
19 terms are defined under section 101 of the Fed-  
20 eral Credit Union Act (12 U.S.C. 1752)).

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