

116TH CONGRESS
1ST SESSION

S. 3036

To amend the Truth in Lending Act to prohibit the distribution of any check or other negotiable instrument as part of a solicitation by a creditor for an extension of credit, to limit the liability of consumers in conjunction with such solicitations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 2019

Mr. JONES (for himself, Mr. COTTON, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Truth in Lending Act to prohibit the distribution of any check or other negotiable instrument as part of a solicitation by a creditor for an extension of credit, to limit the liability of consumers in conjunction with such solicitations, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Unsolicited Loan Act
5 of 2019”.

1 **SEC. 2. UNSOLICITED LOAN CHECKS PROHIBITED.**

2 (a) IN GENERAL.—Section 132 of the Truth in Lend-
3 ing Act (15 U.S.C. 1642) is amended—

4 (1) by striking the section heading and insert-
5 ing “**UNSOLICITED CREDIT**”;

6 (2) by inserting “(a) CREDIT CARDS.—” before
7 “No credit”; and

8 (3) by adding at the end the following:

9 “(b) UNSOLICITED LOAN CHECKS OR TRANSFERS.—
10 No person may extend any consumer credit that is other-
11 wise subject to this title by—

12 “(1) making an unsolicited transfer of funds to
13 the consumer’s credit or asset account; or

14 “(2) through the consumer’s use of an unsolic-
15 ited check, other negotiable instrument, access de-
16 vice or other means of initiating an electronic fund
17 transfer as defined in section 903 of the Electronic
18 Fund Transfer Act (15 U.S.C. 1693a), or such
19 other similar instrument or device as the Bureau
20 may, by rule, determine, that is sent to the con-
21 sumer unless the consumer submitted a written ap-
22 plication for, or otherwise requested in writing, the
23 extension of credit before the date on which the
24 creditor sent the check, negotiable instrument, ac-
25 cess device or other similar instrument or device.

1 “(c) ‘LOOK-ALIKE’ CHECKS.—A certificate, voucher,
2 or other nonnegotiable instrument provided to a consumer
3 in connection with a solicitation for an extension of credit
4 that has the appearance of a check or other negotiable
5 instrument is not an application or request for an exten-
6 sion of credit for purposes of this section.

7 “(d) LIABILITY OF CONSUMER.—

8 “(1) DEFINITIONS.—In this subsection, the
9 terms ‘consumer’, ‘consumer reporting agency’, and
10 ‘consumer report’ have the meanings given the terms
11 in section 603 of the Fair Credit Reporting Act (15
12 U.S.C. 1681a).

13 “(2) AGREEMENT VOID.—Any purported credit
14 agreement entered into or debt purportedly incurred
15 as a result of a violation of subsection (a) or (b) is
16 void and the consumer or cardholder shall not be lia-
17 ble for and no person shall attempt to collect—

18 “(A) the principal amount sent or trans-
19 ferred to the consumer in violation of this sec-
20 tion; or

21 “(B) any interest, charge, fee, or penalty.

22 “(3) CONSUMER REPORTING.—No information
23 relating to the liability of a consumer alleged by a
24 creditor to have been established in violation of sub-
25 section (a) or (b) may be reported to or received by

1 any consumer reporting agency or included in any
2 consumer report.

3 “(e) REGULATIONS.—Not later than 180 days after
4 the date of enactment of this subsection, the Bureau shall
5 prescribe final regulations to implement this section.”.

6 (b) CLERICAL AMENDMENT.—The item relating to
7 section 132 in the table of sections for chapter 2 of the
8 Consumer Credit Protection Act is amended to read as
9 follows:

“132. Unsolicited credit.”.

10 (c) EFFECTIVE DATE.—The requirements of this Act
11 and the amendments made by this Act shall apply to solici-
12 tations for extensions of credit made to consumers 180
13 days after the date of enactment of this Act.

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