

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4132

To amend the Truth in Lending Act to provide for a cap on consumer credit card interest rates.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 1994

Mr. GEJDENSON introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

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## A BILL

To amend the Truth in Lending Act to provide for a cap on consumer credit card interest rates.

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 “Credit Card Interest  
5 Rate Cap Act of 1994”.

6 **SEC. 2. SENSE OF THE CONGRESS.**

7 It is the sense of the Congress that—

8 (1) low interest rates have reduced consumer  
9 interest rates for mortgages, automobiles, and cer-  
10 tain other loans;

1           (2) the same low interest rates have not led to  
2           a correspondingly steep reduction in credit card in-  
3           terest rates; and

4           (3) therefore consumers are paying credit card  
5           interest rates far in excess of what is warranted by  
6           economic conditions.

7   **SEC. 3. CREDIT CARD INTEREST RATE CAP.**

8           Section 107 of the Truth in Lending Act (15 U.S.C.  
9   1606) is amended by adding at the end the following new  
10   subsection:

11           “(f) MAXIMUM PERCENTAGE RATE TO BE ESTAB-  
12   LISHED.—

13           “(1) IN GENERAL.—The maximum annual per-  
14           centage rate applicable to any credit extended to any  
15           consumer through a credit card account under any  
16           open end consumer credit plan for any period during  
17           which such credit is subject to a finance charge may  
18           not exceed the sum of—

19                   “(A) 9 percent; and

20                   “(B) the average annual percentage yield  
21                   on 6-month bills issued by the Secretary of the  
22                   Treasury under section 3104(a) of title 31,  
23                   United States Code, as determined by the  
24                   Board under paragraph (2) for each 6-month

1           period beginning after the date this subsection  
2           takes effect.

3           “(2) REGULATIONS.—The Board shall estab-  
4           lish, by regulation, such procedures as the Board de-  
5           termines to be appropriate to implement and admin-  
6           ister this subsection and to enforce under this title  
7           any maximum annual percentage rate computed pur-  
8           suant to paragraph (1).”.

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