

104TH CONGRESS
1ST SESSION

H. R. 1380

To provide a moratorium on certain class action lawsuits relating to the
Truth in Lending Act.

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 1995

Mr. McCOLLUM (for himself, Mr. LEACH, Mrs. ROUKEMA, Mr. BEREUTER, Mr. BAKER of Louisiana, Mr. ROYCE, Mr. WELLER, Mr. EHRLICH, Mr. CHRYSLER, Mr. CREMEANS, and Mr. HEINEMAN) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To provide a moratorium on certain class action lawsuits
relating to the Truth in Lending Act.

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 “Truth in Lending Class
5 Action Relief Act of 1995”.

6 **SEC. 2. MORATORIUM.**

7 Section 130 of the Truth in Lending Act (15 U.S.C.
8 1640) is amended by adding at the end the following new
9 subsection:

1 “(i) CLASS ACTION MORATORIUM.—

2 “(1) IN GENERAL.—During the period begin-
3 ning on the date of the enactment of the Truth in
4 Lending Class Action Relief Act of 1995 and ending
5 on October 1, 1995, no court may enter any order
6 certifying any class in any action under this title—

7 “(A) which is brought in connection with
8 any credit transaction not under an open end
9 credit plan which is secured by a first lien on
10 real property or a dwelling and constitutes a re-
11 financing or consolidation of an existing exten-
12 sion of credit; and

13 “(B) which is based on the alleged failure
14 of a creditor—

15 “(i) to include a charge actually in-
16 curred (in connection with the transaction)
17 in the finance charge disclosed pursuant to
18 section 128;

19 “(ii) to properly make any other dis-
20 closure required under section 128 as a re-
21 sult of the failure described in clause (i);
22 or

23 “(iii) to provide proper notice of re-
24 scission rights under section 125(a) due to
25 the selection by the creditor of the incor-

1 rect form from among the model forms
2 prescribed by the Board or from among
3 forms based on such model forms.

4 “(2) EXCEPTIONS FOR CERTAIN ALLEGED VIO-
5 LATIONS.—Paragraph (1) shall not apply with re-
6 spect to any action—

7 “(A) described in clause (i) or (ii) of para-
8 graph (1)(B), if the amount disclosed as the fi-
9 nance charge results in an annual percentage
10 rate that exceeds the tolerance provided in sec-
11 tion 107(c); or

12 “(B) described in paragraph (1)(B)(iii),
13 if—

14 “(i) no notice relating to rescission
15 rights under section 125(a) was provided
16 in any form; or

17 “(ii) proper notice was not provided
18 for any reason other than the reason de-
19 scribed in such paragraph.

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