

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S.** \_\_\_\_\_

To amend the Federal Deposit Insurance Act, to clarify the scope of provisions relating to applicable rates of interest and other charge limitations.

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IN THE SENATE OF THE UNITED STATES

Mrs. LINCOLN introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Federal Deposit Insurance Act, to clarify the scope of provisions relating to applicable rates of interest and other charge limitations.

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. CLARIFICATION OF SCOPE OF APPLICABLE**  
4       **RATE PROVISION.**

5       Section 44(f) of the Federal Deposit Insurance Act  
6       (12 U.S.C. 1831u(f)) is amended by adding at the end  
7       the following new paragraphs:

8               “(3) OTHER PERSONS.—In the case of any  
9       other person in the State described in paragraph  
10       (1), the maximum interest rate or amount of inter-

1 est, discount points, finance charges, fees, or other  
2 similar charges that may be charged, taken, re-  
3 ceived, or reserved from time to time, until judg-  
4 ment, in any loan, discount, or credit sale made, or  
5 upon any note, bill of exchange, financing trans-  
6 action, or other evidence of debt issued to or ac-  
7 quired by any other person may not exceed 17 per-  
8 cent per annum, or such lower limit as is imposed  
9 by the State legislature.

10 “(4) OTHER PERSON DEFINED.—For purposes  
11 of paragraph (3), the term ‘other person’—

12 “(A) means any person engaged in the  
13 business of lending, or of selling or financing  
14 the sale of personal property (and any services  
15 incidental to the sale of personal property) in  
16 such State, including any person or entity en-  
17 gaged in the business of providing cash ad-  
18 vances or loans to any consumer in exchange  
19 for—

20 “(i) a consumer’s personal check or  
21 share draft, in the amount of the advance  
22 plus a fee, where presentment or negotia-  
23 tion of such check or share draft is de-  
24 ferred by agreement of the parties until a  
25 designated future date;

1                   “(ii) a consumer authorization to  
2                   debit the consumer’s transaction account,  
3                   in the amount of the advance plus a fee,  
4                   where such account will be debited on or  
5                   after a designated future date; or

6                   “(iii) holding title or means of access  
7                   to personal property pending repayment of  
8                   the obligation; and

9                   “(B) with regard to any person or entity  
10                  described in paragraph (3), does not include an  
11                  insured depository institution.”.