

107TH CONGRESS  
1ST SESSION

# S. 539

To amend the Truth in Lending Act to prohibit finance charges for on-time payments.

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## IN THE SENATE OF THE UNITED STATES

MARCH 15, 2001

Mr. LEVIN (for himself, Mrs. FEINSTEIN, and Mr. BIDEN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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# A BILL

To amend the Truth in Lending Act to prohibit finance charges for on-time payments.

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. PROHIBITION ON FINANCE CHARGES FOR ON-  
4       TIME PAYMENTS.**

5       Section 27 of the Truth in Lending Act (15 U.S.C.  
6       1637) is amended by adding at the end the following:

7       “(h) PROHIBITION ON FINANCE CHARGES FOR ON-  
8       TIME PAYMENTS.—In the case of any credit card account  
9       under an open end consumer credit plan, where no other  
10      balance is owing on the account, no finance or interest

1 charge may be imposed with regard to any amount of a  
2 new extension of credit that was paid on or before the  
3 date on which it was due.”.

