

109TH CONGRESS  
2D SESSION

# S. 4116

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

DECEMBER 8, 2006

Mrs. LINCOLN (for herself and Mr. PRYOR) 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 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

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

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

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

21 “(i) a consumer’s personal check or  
22 share draft, in the amount of the advance  
23 plus a fee, where presentment or negotia-  
24 tion of such check or share draft is de-

1           ferred by agreement of the parties until a  
2           designated future date;

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

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

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

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