

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.

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

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-

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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