

112TH CONGRESS
2D SESSION

S. 3207

To amend title 10, United States Code, to provide for relief in civil actions for violations of the protections on credit extended to members of the Armed Forces and their dependents.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2012

Mr. BLUMENTHAL introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To amend title 10, United States Code, to provide for relief in civil actions for violations of the protections on credit extended to members of the Armed Forces and their dependents.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. RELIEF IN CIVIL ACTIONS FOR VIOLATIONS OF**
2 **PROTECTIONS ON CONSUMER CREDIT EX-**
3 **TENDED TO MEMBERS OF THE ARMED**
4 **FORCES AND THEIR DEPENDENTS.**

5 (a) IN GENERAL.—Section 987(f) of title 10, United
6 States Code, is amended by adding at the end the fol-
7 lowing new paragraph:

8 “(5) CIVIL LIABILITY.—

9 “(A) IN GENERAL.—A person who violates
10 this section with respect to any person is civilly
11 liable to such person for—

12 “(i) any actual damage sustained as a
13 result, but not less than \$500 for each vio-
14 lation;

15 “(ii) appropriate punitive damages;

16 “(iii) appropriate equitable or declara-
17 tory relief;

18 “(iv) any other relief provided by law;

19 “(v) in any successful action to en-
20 force the foregoing liability, the costs of
21 the action, together with reasonable attor-
22 ney fees as determined by the court; and

23 “(vi) in any successful action by a de-
24 fendant under this section, if the court
25 finds the action was brought in bad faith
26 and for the purpose of harassment, attor-

1 ney fees of the defendant as determined by
2 the court to be reasonable in relation to
3 the work expended and costs incurred.

4 “(B) DEFENSES.—A person may not be
5 held liable for civil liability under this para-
6 graph if the person shows by a preponderance
7 of evidence that the violation was not inten-
8 tional and resulted from a bona fide error not-
9 withstanding the maintenance of procedures
10 reasonably adapted to avoid any such error. Ex-
11 amples of a bona fide error include clerical, cal-
12 culation, computer malfunction and program-
13 ming, and printing errors, except that an error
14 of legal judgment with respect to a person’s ob-
15 ligations under this section is not a bona fide
16 error.

17 “(C) JURISDICTION AND VENUE; LIMITA-
18 TION.—An action for civil liability under this
19 paragraph may be brought in any appropriate
20 United States district court, without regard to
21 the amount in controversy, or in any other
22 court of competent jurisdiction, not later than
23 the earlier of—

1 “(i) two years after the date of dis-
2 covery by the plaintiff of the violation that
3 is the basis for such liability; or

4 “(ii) five years after the date on which
5 the violation that is the basis for such li-
6 ability occurs.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section and shall take effect on the date of the enact-
9 ment of this Act, and shall apply with respect to consumer
10 credit extended on or after that date.

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