

tion, and any finance charges thereon, except that the amount required to be forfeited under this subsection may not exceed \$50.

(Pub. L. 90-321, title I, §161, as added Pub. L. 93-495, title III, §306, Oct. 28, 1974, 88 Stat. 1512; amended Pub. L. 96-221, title VI §§613(g), 620, Mar. 31, 1980, 94 Stat. 177, 184; Pub. L. 111-203, title X, §§1087, 1100A(2), July 21, 2010, 124 Stat. 2086, 2107.)

#### CODIFICATION

Pub. L. 111-203, §1100A(2), which directed the substitution of "Bureau" for "Board" wherever appearing in title I of Pub. L. 90-321, was executed to this section, which is section 161 of title I of Pub. L. 90-321. Section 1087 of Pub. L. 111-203, which directed the making of an identical amendment in title III of Pub. L. 93-495, which added this section to title I of Pub. L. 90-321, has not been executed.

#### AMENDMENTS

2010—Subsecs. (b)(7), (d). Pub. L. 111-203, §1100A(2), substituted "Bureau" for "Board". See Codification note above.

1980—Subsec. (a). Pub. L. 96-221, §613(g), substituted "(b)(10)" for "(b)(11)" and "(a)(7)" for "(a)(8)".

Subsec. (b)(6), (7). Pub. L. 96-221, §620(a), added par. (6) and redesignated former par. (6) as (7).

Subsec. (c). Pub. L. 96-221, §620(b), inserted provisions respecting finance charges on amounts in dispute.

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-221 effective on expiration of two years and six months after Mar. 31, 1980, with all regulations, forms, and clauses required to be prescribed to be promulgated at least one year prior to such effective date, and allowing any creditor to comply with any amendments, in accordance with the regulations, forms, and clauses prescribed by the Board prior to such effective date, see section 625 of Pub. L. 96-221, set out as a note under section 1602 of this title.

#### EFFECTIVE DATE

Section 308 of title III of Pub. L. 93-495 provided that: "This title [enacting this section and sections 1666a to 1666j of this title, amending sections 1601, 1602, 1610, 1631, 1632, and 1637 of this title, and enacting provision set out as a note under section 1601 of this title] takes effect upon the expiration of one year after the date of its enactment [Oct. 28, 1974]."

#### SHORT TITLE

Title III of Pub. L. 93-495, which is classified principally to this part, is known as the "Fair Credit Billing Act". For complete classification of Title III to the Code, see Short Title of 1974 Amendment note set out under section 1601 of this title and Tables.

### § 1666a. Regulation of credit reports

#### (a) Reports by creditor on obligor's failure to pay amount regarded as billing error

After receiving a notice from an obligor as provided in section 1666(a) of this title, a creditor or his agent may not directly or indirectly threaten to report to any person adversely on the obligor's credit rating or credit standing because of the obligor's failure to pay the amount indicated by the obligor under section 1666(a)(2) of this title, and such amount may not be re-

ported as delinquent to any third party until the creditor has met the requirements of section 1666 of this title and has allowed the obligor the same number of days (not less than ten) thereafter to make payment as is provided under the credit agreement with the obligor for the payment of undisputed amounts.

#### (b) Reports by creditor on delinquent amounts in dispute; notification of obligor of parties notified of delinquency

If a creditor receives a further written notice from an obligor that an amount is still in dispute within the time allowed for payment under subsection (a) of this section, a creditor may not report to any third party that the amount of the obligor is delinquent because the obligor has failed to pay an amount which he has indicated under section 1666(a)(2) of this title, unless the creditor also reports that the amount is in dispute and, at the same time, notifies the obligor of the name and address of each party to whom the creditor is reporting information concerning the delinquency.

#### (c) Reports by creditor of subsequent resolution of delinquent amounts

A creditor shall report any subsequent resolution of any delinquencies reported pursuant to subsection (b) of this section to the parties to whom such delinquencies were initially reported.

(Pub. L. 90-321, title I, §162, as added Pub. L. 93-495, title III, §306, Oct. 28, 1974, 88 Stat. 1513.)

### § 1666b. Timing of payments

#### (a) Time to make payments

A creditor may not treat a payment on a credit card account under an open end consumer credit plan as late for any purpose, unless the creditor has adopted reasonable procedures designed to ensure that each periodic statement including the information required by section 1637(b) of this title is mailed or delivered to the consumer not later than 21 days before the payment due date.

#### (b) Grace period

If an open end consumer credit plan provides a time period within which an obligor may repay any portion of the credit extended without incurring an additional finance charge, such additional finance charge may not be imposed with respect to such portion of the credit extended for the billing cycle of which such period is a part, unless a statement which includes the amount upon which the finance charge for the period is based was mailed or delivered to the consumer not later than 21 days before the date specified in the statement by which payment must be made in order to avoid imposition of that finance charge.

(Pub. L. 90-321, title I, §163, as added Pub. L. 93-495, title III, §306, Oct. 28, 1974, 88 Stat. 1514; amended Pub. L. 111-24, title I, §106(b)(1), May 22, 2009, 123 Stat. 1742; Pub. L. 111-93, §2, Nov. 6, 2009, 123 Stat. 2998.)

#### AMENDMENTS

2009—Pub. L. 111-24 amended section generally, adding provisions relating to late payments and delivery of

periodic statements, substituting provisions requiring a 21-day statement delivery period for provisions requiring a 14-day period before the imposition of additional finance charges, and striking provisions relating to excusable cause for creditor's failure to make timely mailing or delivery of periodic statements.

Subsec. (a). Pub. L. 111-93 inserted "a credit card account under" after "payment on".

#### EFFECTIVE DATE

Pub. L. 111-24, title I, §106(b)(2), May 22, 2009, 123 Stat. 1742, provided that: "Notwithstanding section 3 [see Effective Date of 2009 Amendment note set out under section 1602 of this title], section 163 of the Truth in Lending Act [15 U.S.C. 1666b], as amended by this subsection, shall become effective 90 days after the date of enactment of this Act [May 22, 2009]."

### § 1666c. Prompt and fair crediting of payments

#### (a) In general

Payments received from an obligor under an open end consumer credit plan by the creditor shall be posted promptly to the obligor's account as specified in regulations of the Bureau. Such regulations shall prevent a finance charge from being imposed on any obligor if the creditor has received the obligor's payment in readily identifiable form, by 5:00 p.m. on the date on which such payment is due, in the amount, manner, and location indicated by the creditor to avoid the imposition thereof.

#### (b) Application of payments

##### (1) In general

Upon receipt of a payment from a cardholder, the card issuer shall apply amounts in excess of the minimum payment amount first to the card balance bearing the highest rate of interest, and then to each successive balance bearing the next highest rate of interest, until the payment is exhausted.

##### (2) Clarification relating to certain deferred interest arrangements

A creditor shall allocate the entire amount paid by the consumer in excess of the minimum payment amount to a balance on which interest is deferred during the last 2 billing cycles immediately preceding the expiration of the period during which interest is deferred.

#### (c) Changes by card issuer

If a card issuer makes a material change in the mailing address, office, or procedures for handling cardholder payments, and such change causes a material delay in the crediting of a cardholder payment made during the 60-day period following the date on which such change took effect, the card issuer may not impose any late fee or finance charge for a late payment on the credit card account to which such payment was credited.

(Pub. L. 90-321, title I, §164, as added Pub. L. 93-495, title III, §306, Oct. 28, 1974, 88 Stat. 1514; amended Pub. L. 111-24, title I, §104, May 22, 2009, 123 Stat. 1741; Pub. L. 111-203, title X, §§1087, 1100A(2), July 21, 2010, 124 Stat. 2086, 2107.)

#### CODIFICATION

Pub. L. 111-203, §1100A(2), which directed the substitution of "Bureau" for "Board" wherever appearing in title I of Pub. L. 90-321, was executed to this section, which is section 164 of title I of Pub. L. 90-321. Section

1087 of Pub. L. 111-203, which directed the making of an identical amendment in title III of Pub. L. 93-495, which added this section to title I of Pub. L. 90-321, has not been executed.

#### AMENDMENTS

2010—Subsec. (a). Pub. L. 111-203, §1100A(2), substituted "Bureau" for "Board". See Codification note above.

2009—Pub. L. 111-24, §104(1), substituted "Prompt and fair crediting of payments" for "Prompt crediting of payments" in section catchline, designated existing provisions as subsec. (a), and inserted subsec. (a) heading.

Subsec. (a). Pub. L. 111-24, §104(2), (3), inserted ", by 5:00 p.m. on the date on which such payment is due," after "in readily identifiable form" and substituted "manner, and location" for "manner, location, and time".

Subsecs. (b), (c). Pub. L. 111-24, §104(4), added subsecs. (b) and (c).

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

#### EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-24 effective 9 months after May 22, 2009, except as otherwise specifically provided, see section 3 of Pub. L. 111-24, set out as a note under section 1602 of this title.

### § 1666d. Treatment of credit balances

Whenever a credit balance in excess of \$1 is created in connection with a consumer credit transaction through (1) transmittal of funds to a creditor in excess of the total balance due on an account, (2) rebates of unearned finance charges or insurance premiums, or (3) amounts otherwise owed to or held for the benefit of an obligor, the creditor shall—

(A) credit the amount of the credit balance to the consumer's account;

(B) refund any part of the amount of the remaining credit balance, upon request of the consumer; and

(C) make a good faith effort to refund to the consumer by cash, check, or money order any part of the amount of the credit balance remaining in the account for more than six months, except that no further action is required in any case in which the consumer's current location is not known by the creditor and cannot be traced through the consumer's last known address or telephone number.

(Pub. L. 90-321, title I, §165, as added Pub. L. 93-495, title III, §306, Oct. 28, 1974, 88 Stat. 1514; amended Pub. L. 96-221, title VI, §621(a), Mar. 31, 1980, 94 Stat. 184.)

#### AMENDMENTS

1980—Pub. L. 96-221 substituted provisions relating to duties of creditor whenever a credit balance in excess of \$1 is created in connection with a consumer credit transaction, for provisions relating to duties of creditor whenever an obligor transmits funds to creditor in excess of the total balance due on an open end consumer credit account.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-221 effective on expiration of two years and six months after Mar. 31, 1980, with all