

such law gives greater protection and benefit to the consumer.

(b) The Bureau shall by regulation exempt from the requirements of this part any class of lease transactions within any State if it determines that under the law of that State that class of transactions is subject to requirements substantially similar to those imposed under this part or that such law gives greater protection and benefit to the consumer, and that there is adequate provision for enforcement.

(Pub. L. 90-321, title I, §186, as added Pub. L. 94-240, §3, Mar. 23, 1976, 90 Stat. 260; amended Pub. L. 111-203, title X, §1100A(2), (10), July 21, 2010, 124 Stat. 2107, 2109.)

#### AMENDMENTS

2010—Pub. L. 111-203, §1100A(2), (10), substituted “Bureau” for “Board”, “the Bureau” for “the Board”, and “The Bureau” for “The Board” wherever appearing.

#### 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.

### § 1667f. Regulations

#### (a) Regulations authorized

##### (1) In general

The Bureau shall prescribe regulations to update and clarify the requirements and definitions applicable to lease disclosures and contracts, and any other issues specifically related to consumer leasing, to the extent that the Bureau determines such action to be necessary—

(A) to carry out this part;

(B) to prevent any circumvention of this part; or

(C) to facilitate compliance with the requirements of the<sup>1</sup> part.

##### (2) Classifications, adjustments

Any regulations prescribed under paragraph (1) may contain classifications and differentiations, and may provide for adjustments and exceptions for any class of transactions, as the Bureau considers appropriate.

#### (b) Model disclosure

##### (1) Publication

The Bureau shall establish and publish model disclosure forms to facilitate compliance with the disclosure requirements of this part and to aid the consumer in understanding the transaction to which the subject disclosure form relates.

##### (2) Use of automated equipment

In establishing model forms under this subsection, the Bureau shall consider the use by lessors of data processing or similar automated equipment.

##### (3) Use optional

A lessor may utilize a model disclosure form established by the Bureau under this subsection for purposes of compliance with this part, at the discretion of the lessor.

#### (4) Effect of use

Any lessor who properly uses the material aspects of any model disclosure form established by the Bureau under this subsection shall be deemed to be in compliance with the disclosure requirements to which the form relates.

(Pub. L. 90-321, title I, §187, as added Pub. L. 104-208, div. A, title II, §2605(b)(1), Sept. 30, 1996, 110 Stat. 3009-471; amended Pub. L. 111-203, title X, §1100A(2), (10), July 21, 2010, 124 Stat. 2107, 2109.)

#### AMENDMENTS

2010—Pub. L. 111-203, §1100A(2), (10), substituted “Bureau” for “Board”, “the Bureau” for “the Board”, and “The Bureau” for “The Board” wherever appearing.

#### 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

Section 2605(b)(2) of div. A of Pub. L. 104-208 provided that:

“(A) IN GENERAL.—Any regulation of the Board, or any amendment or interpretation of any regulation of the Board issued pursuant to section 187 of the Truth in Lending Act [15 U.S.C. 1667f] (as added by paragraph (1) of this subsection), shall become effective on the first October 1 that follows the date of promulgation of that regulation, amendment, or interpretation by not less than 6 months.

“(B) LONGER PERIOD.—The Board may, at the discretion of the Board, extend the time period referred to in subparagraph (A) in accordance with subparagraph (C), to permit lessors to adjust their disclosure forms to accommodate the requirements of section 127 [187] of the Truth in Lending Act (as added by paragraph (1) of this subsection).

“(C) SHORTER PERIOD.—The Board may shorten the time period referred to in subparagraph (A), if the Board makes a specific finding that such action is necessary to comply with the findings of a court or to prevent an unfair or deceptive practice.

“(D) COMPLIANCE BEFORE EFFECTIVE DATE.—Any lessor may comply with any means of disclosure provided for in section 127 [187] of the Truth in Lending Act (as added by paragraph (1) of this subsection) before the effective date of such requirement.

“(E) DEFINITIONS.—For purposes of this subsection, the term ‘lessor’ has the same meaning as in section 181 of the Truth in Lending Act [15 U.S.C. 1667].”

#### CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSES

Section 2605(a) of div. A of Pub. L. 104-208 provided that:

“(1) FINDINGS.—The Congress finds that—

“(A) competition among the various financial institutions and other firms engaged in the business of consumer leasing is greatest when there is informed use of leasing;

“(B) the informed use of leasing results from an awareness of the cost of leasing by consumers; and

“(C) there has been a continued trend toward leasing automobiles and other durable goods for consumer use as an alternative to installment credit sales and that leasing product advances have occurred such that lessors have been unable to provide consistent industry-wide disclosures to fully account for the competitive progress that has occurred.

“(2) PURPOSES.—The purposes of this section are—

“(A) to assure a simple, meaningful disclosure of leasing terms so that the consumer will be able to

<sup>1</sup> So in original. Probably should be “this”.

compare more readily the various leasing terms available to the consumer and avoid the uninformed use of leasing, and to protect the consumer against inaccurate and unfair leasing practices;

“(B) to provide for adequate cost disclosures that reflect the marketplace without impairing competition and the development of new leasing products; and

“(C) to provide the Board with the regulatory authority to assure a simplified, meaningful definition and disclosure of the terms of certain leases of personal property for personal, family, or household purposes so as to—

“(i) enable the lessee to compare more readily the various lease terms available to the lessee;

“(ii) enable comparison of lease terms with credit terms, as appropriate; and

“(iii) assure meaningful and accurate disclosures of lease terms in advertisements.”

#### SUBCHAPTER II—RESTRICTIONS ON GARNISHMENT

### § 1671. Congressional findings and declaration of purpose

#### (a) Disadvantages of garnishment

The Congress finds:

(1) The unrestricted garnishment of compensation due for personal services encourages the making of predatory extensions of credit. Such extensions of credit divert money into excessive credit payments and thereby hinder the production and flow of goods in interstate commerce.

(2) The application of garnishment as a creditors' remedy frequently results in loss of employment by the debtor, and the resulting disruption of employment, production, and consumption constitutes a substantial burden on interstate commerce.

(3) The great disparities among the laws of the several States relating to garnishment have, in effect, destroyed the uniformity of the bankruptcy laws and frustrated the purposes thereof in many areas of the country.

#### (b) Necessity for regulation

On the basis of the findings stated in subsection (a) of this section, the Congress determines that the provisions of this subchapter are necessary and proper for the purpose of carrying into execution the powers of the Congress to regulate commerce and to establish uniform bankruptcy laws.

(Pub. L. 90-321, title III, §301, May 29, 1968, 82 Stat. 163.)

#### EFFECTIVE DATE

Pub. L. 90-321, title V, §504(c), May 29, 1968, 82 Stat. 167, provided that: “Title III [enacting this section and sections 1672 to 1677 of this title] takes effect on July 1, 1970.”

### § 1672. Definitions

For the purposes of this subchapter:

(a) The term “earnings” means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program.

(b) The term “disposable earnings” means that part of the earnings of any individual re-

maining after the deduction from those earnings of any amounts required by law to be withheld.

(c) The term “garnishment” means any legal or equitable procedure through which the earnings of any individual are required to be withheld for payment of any debt.

(Pub. L. 90-321, title III, §302, May 29, 1968, 82 Stat. 163.)

### § 1673. Restriction on garnishment

#### (a) Maximum allowable garnishment

Except as provided in subsection (b) of this section and in section 1675 of this title, the maximum part of the aggregate disposable earnings of an individual for any workweek which is subjected to garnishment may not exceed

(1) 25 per centum of his disposable earnings for that week, or

(2) the amount by which his disposable earnings for that week exceed thirty times the Federal minimum hourly wage prescribed by section 206(a)(1) of title 29 in effect at the time the earnings are payable,

whichever is less. In the case of earnings for any pay period other than a week, the Secretary of Labor shall by regulation prescribe a multiple of the Federal minimum hourly wage equivalent in effect to that set forth in paragraph (2).

#### (b) Exceptions

(1) The restrictions of subsection (a) of this section do not apply in the case of

(A) any order for the support of any person issued by a court of competent jurisdiction or in accordance with an administrative procedure, which is established by State law, which affords substantial due process, and which is subject to judicial review.

(B) any order of any court of the United States having jurisdiction over cases under chapter 13 of title 11.

(C) any debt due for any State or Federal tax.

(2) The maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment to enforce any order for the support of any person shall not exceed—

(A) where such individual is supporting his spouse or dependent child (other than a spouse or child with respect to whose support such order is used), 50 per centum of such individual's disposable earnings for that week; and

(B) where such individual is not supporting such a spouse or dependent child described in clause (A), 60 per centum of such individual's disposable earnings for that week;

except that, with respect to the disposable earnings of any individual for any workweek, the 50 per centum specified in clause (A) shall be deemed to be 55 per centum and the 60 per centum specified in clause (B) shall be deemed to be 65 per centum, if and to the extent that such earnings are subject to garnishment to enforce a support order with respect to a period which is prior to the twelve-week period which ends with the beginning of such workweek.