

§ 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