

**(4) Applicability**

This subsection shall apply to all consumer credit transactions in existence or consummated on or after September 30, 1995.

(Pub. L. 90-321, title I, § 125, May 29, 1968, 82 Stat. 153; Pub. L. 93-495, title IV, §§ 404, 405, 412, Oct. 28, 1974, 88 Stat. 1517, 1519; Pub. L. 96-221, title VI, § 612(a)(1), (3)-(6), Mar. 31, 1980, 94 Stat. 175, 176; Pub. L. 98-479, title II, § 205, Oct. 17, 1984, 98 Stat. 2234; Pub. L. 104-29, §§ 5, 8, Sept. 30, 1995, 109 Stat. 274, 275; Pub. L. 111-203, title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

## REFERENCES IN TEXT

Section 1602(w) of this title, referred to in subsec. (e)(1), was redesignated section 1602(x) of this title by Pub. L. 111-203, title X, § 1100A(1)(A), July 21, 2010, 124 Stat. 2107.

## AMENDMENTS

2010—Subsecs. (a), (d), (h), (i)(1)(B). Pub. L. 111-203 substituted “Bureau” for “Board” wherever appearing.

1995—Subsec. (h). Pub. L. 104-29, § 5, added subsec. (h).

Subsec. (i). Pub. L. 104-29, § 8, added subsec. (i).

1984—Subsec. (e). Pub. L. 98-479 redesignated par. (1) as subsec. (e), redesignated subpars. (A), (B), (C), and (D) of par. (1) as pars. (1), (2), (3), and (4), respectively, and struck out par. (2) which read as follows: “The provisions of paragraph (1)(D) shall cease to be effective 3 years after the effective date of the Truth in Lending Simplification Reform Act.”

1980—Subsec. (a). Pub. L. 96-221, § 612(a)(1), substituted provisions relating to the right of rescission until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required together with the statement containing the material disclosures required under this subchapter, whichever is later, for provisions relating to right of rescission until midnight of the third business day following the consummation of the transaction or the delivery of the required disclosures and all other material disclosures required under this part, whichever is later.

Subsec. (b). Pub. L. 96-221, § 612(a)(3), (4), inserted provisions setting forth applicability of procedures prescribed by this subsection, and substituted “20” for “ten” in two places.

Subsec. (c). Pub. L. 96-221, § 612(a)(5), inserted “information, forms, and” after “whom”.

Subsec. (e). Pub. L. 96-221, § 612(a)(6), substituted provisions relating to nonapplicability to residential mortgage transactions, refinancing or consolidation transactions, etc., for provisions relating to nonapplicability to creation or retention of first liens.

Subsec. (f). Pub. L. 96-221, § 612(a)(6), substituted provisions setting forth duration of right of rescission where the required information and forms or other disclosures required under this part have not been delivered to the obligor, and exceptions to such term, for provisions setting forth duration of right of rescission where the required disclosures or any other material disclosures required under this part have not been delivered to the obligor.

Subsec. (g). Pub. L. 96-221, § 612(a)(6), added subsec. (g).

1974—Subsecs. (a), (b). Pub. L. 93-495, § 404, inserted provisions relating to security interest arising by operation of law.

Subsec. (e). Pub. L. 93-495, § 412, inserted exemption for consumer credit transactions where a State agency is the creditor.

Subsec. (f). Pub. L. 93-495, § 405, added subsec. (f).

## 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 OF 1974 AMENDMENT

Amendment by Pub. L. 93-495 effective Oct. 28, 1974, see section 416 of Pub. L. 93-495, set out as an Effective Date note under section 1665a of this title.

**§ 1636. Repealed. Pub. L. 96-221, title VI, § 614(e)(1), Mar. 31, 1980, 94 Stat. 180**

Section, Pub. L. 90-321, title I, § 126, May 29, 1968, 82 Stat. 153, related to contents of periodic statements.

## EFFECTIVE DATE OF REPEAL

Repeal 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 an Effective Date of 1980 Amendment note under section 1602 of this title.

**§ 1637. Open end consumer credit plans****(a) Required disclosures by creditor**

Before opening any account under an open end consumer credit plan, the creditor shall disclose to the person to whom credit is to be extended each of the following items, to the extent applicable:

(1) The conditions under which a finance charge may be imposed, including the time period (if any) within which any credit extended may be repaid without incurring a finance charge, except that the creditor may, at his election and without disclosure, impose no such finance charge if payment is received after the termination of such time period. If no such time period is provided, the creditor shall disclose such fact.

(2) The method of determining the balance upon which a finance charge will be imposed.

(3) The method of determining the amount of the finance charge, including any minimum or fixed amount imposed as a finance charge.

(4) Where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and the corresponding nominal annual percentage rate determined by multiplying the periodic rate by the number of periods in a year.

(5) Identification of other charges which may be imposed as part of the plan, and their method of computation, in accordance with regulations of the Bureau.

(6) In cases where the credit is or will be secured, a statement that a security interest has been or will be taken in (A) the property purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.

(7) A statement, in a form prescribed by regulations of the Bureau of the protection provided by sections 1666 and 1666i of this title to an obligor and the creditor's responsibilities under sections 1666a and 1666i of this title. With respect to one billing cycle per calendar year, at intervals of not less than six months or more than eighteen months, the creditor shall transmit such statement to each obligor to whom the creditor is required to transmit a statement pursuant to subsection (b) for such billing cycle.

(8) In the case of any account under an open end consumer credit plan which provides for any extension of credit which is secured by the consumer's principal dwelling, any information which—

(A) is required to be disclosed under section 1637a(a) of this title; and

(B) the Bureau determines is not described in any other paragraph of this subsection.

**(b) Statement required with each billing cycle**

The creditor of any account under an open end consumer credit plan shall transmit to the obligor, for each billing cycle at the end of which there is an outstanding balance in that account or with respect to which a finance charge is imposed, a statement setting forth each of the following items to the extent applicable:

(1) The outstanding balance in the account at the beginning of the statement period.

(2) The amount and date of each extension of credit during the period, and a brief identification, on or accompanying the statement of each extension of credit in a form prescribed by the Bureau sufficient to enable the obligor either to identify the transaction or to relate it to copies of sales vouchers or similar instruments previously furnished, except that a creditor's failure to disclose such information in accordance with this paragraph shall not be deemed a failure to comply with this part or this subchapter if (A) the creditor maintains procedures reasonably adapted to procure and provide such information, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 1666 of this title. In lieu of complying with the requirements of the previous sentence, in the case of any transaction in which the creditor and seller are the same person, as defined by the Bureau, and such person's open end credit plan has fewer than 15,000 accounts, the creditor may elect to provide only the amount and date of each extension of credit during the period and the seller's name and location where the transaction took place if (A) a brief identification of the transaction has been previously furnished, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 1666 of this title.

(3) The total amount credited to the account during the period.

(4) The amount of any finance charge added to the account during the period, itemized to show the amounts, if any, due to the application of percentage rates and the amount, if any, imposed as a minimum or fixed charge.

(5) Where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and, unless the annual percentage rate (determined under section 1606(a)(2) of this title) is required to be disclosed pursuant to paragraph (6), the corresponding nominal annual percentage rate determined by multiplying the periodic rate by the number of periods in a year.

(6) Where the total finance charge exceeds 50 cents for a monthly or longer billing cycle, or the pro rata part of 50 cents for a billing cycle shorter than monthly, the total finance charge expressed as an annual percentage rate (determined under section 1606(a)(2) of this title), except that if the finance charge is the sum of two or more products of a rate times a portion of the balance, the creditor may, in lieu of disclosing a single rate for the total charge, disclose each such rate expressed as an annual percentage rate, and the part of the balance to which it is applicable.

(7) The balance on which the finance charge was computed and a statement of how the balance was determined. If the balance is determined without first deducting all credits during the period, that fact and the amount of such payments shall also be disclosed.

(8) The outstanding balance in the account at the end of the period.

(9) The date by which or the period (if any) within which, payment must be made to avoid additional finance charges, except that the creditor may, at his election and without disclosure, impose no such additional finance charge if payment is received after such date or the termination of such period.

(10) The address to be used by the creditor for the purpose of receiving billing inquiries from the obligor.

(11)(A) A written statement in the following form: "Minimum Payment Warning: Making only the minimum payment will increase the amount of interest you pay and the time it takes to repay your balance.", or such similar statement as is established by the Bureau pursuant to consumer testing.

(B) Repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

(i) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

(ii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made;

(iii) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months, if no further advances are made, and the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays the balance over 36 months; and

(iv) a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services.

(C)(i) Subject to clause (ii), in making the disclosures under subparagraph (B), the creditor shall apply the interest rate or rates in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.

(D) All of the information described in subparagraph (B) shall—

(i) be disclosed in the form and manner which the Bureau shall prescribe, by regulation, and in a manner that avoids duplication; and

(ii) be placed in a conspicuous and prominent location on the billing statement.

(E) In the regulations prescribed under subparagraph (D), the Bureau shall require that the disclosure of such information shall be in the form of a table that—

(i) contains clear and concise headings for each item of such information; and

(ii) provides a clear and concise form stating each item of information required to be disclosed under each such heading.

(F) In prescribing the form of the table under subparagraph (E), the Bureau shall require that—

(i) all of the information in the table, and not just a reference to the table, be placed on the billing statement, as required by this paragraph; and

(ii) the items required to be included in the table shall be listed in the order in which such items are set forth in subparagraph (B).

(G) In prescribing the form of the table under subparagraph (D), the Bureau shall employ terminology which is different than the terminology which is employed in subparagraph (B), if such terminology is more easily understood and conveys substantially the same meaning.

(12) REQUIREMENTS RELATING TO LATE PAYMENT DEADLINES AND PENALTIES.—

(A) LATE PAYMENT DEADLINE REQUIRED TO BE DISCLOSED.—In the case of a credit card account under an open end consumer credit plan under which a late fee or charge may be imposed due to the failure of the obligor to make payment on or before the due date for such payment, the periodic statement required under subsection (b) with respect to the account shall include, in a conspicuous location on the billing statement, the date

on which the payment is due or, if different, the date on which a late payment fee will be charged, together with the amount of the fee or charge to be imposed if payment is made after that date.

(B) DISCLOSURE OF INCREASE IN INTEREST RATES FOR LATE PAYMENTS.—If 1 or more late payments under an open end consumer credit plan may result in an increase in the annual percentage rate applicable to the account, the statement required under subsection (b) with respect to the account shall include conspicuous notice of such fact, together with the applicable penalty annual percentage rate, in close proximity to the disclosure required under subparagraph (A) of the date on which payment is due under the terms of the account.

(C) PAYMENTS AT LOCAL BRANCHES.—If the creditor, in the case of a credit card account referred to in subparagraph (A), is a financial institution which maintains branches or offices at which payments on any such account are accepted from the obligor in person, the date on which the obligor makes a payment on the account at such branch or office shall be considered to be the date on which the payment is made for purposes of determining whether a late fee or charge may be imposed due to the failure of the obligor to make payment on or before the due date for such payment.

(c) **Disclosure in credit and charge card applications and solicitations**

**(1) Direct mail applications and solicitations**

**(A) Information in tabular format**

Any application to open a credit card account for any person under an open end consumer credit plan, or a solicitation to open such an account without requiring an application, that is mailed to consumers shall disclose the following information, subject to subsection (e) and section 1632(c) of this title:

**(i) Annual percentage rates**

(I) Each annual percentage rate applicable to extensions of credit under such credit plan.

(II) Where an extension of credit is subject to a variable rate, the fact that the rate is variable, the annual percentage rate in effect at the time of the mailing, and how the rate is determined.

(III) Where more than one rate applies, the range of balances to which each rate applies.

**(ii) Annual and other fees**

(I) Any annual fee, other periodic fee, or membership fee imposed for the issuance or availability of a credit card, including any account maintenance fee or other charge imposed based on activity or inactivity for the account during the billing cycle.

(II) Any minimum finance charge imposed for each period during which any extension of credit which is subject to a finance charge is outstanding.

(III) Any transaction charge imposed in connection with use of the card to purchase goods or services.

**(iii) Grace period**

(I) The date by which or the period within which any credit extended under such credit plan for purchases of goods or services must be repaid to avoid incurring a finance charge, and, if no such period is offered, such fact shall be clearly stated.

(II) If the length of such “grace period” varies, the card issuer may disclose the range of days in the grace period, the minimum number of days in the grace period, or the average number of days in the grace period, if the disclosure is identified as such.

**(iv) Balance calculation method**

(I) The name of the balance calculation method used in determining the balance on which the finance charge is computed if the method used has been defined by the Bureau, or a detailed explanation of the balance calculation method used if the method has not been so defined.

(II) In prescribing regulations to carry out this clause, the Bureau shall define and name not more than the 5 balance calculation methods determined by the Bureau to be the most commonly used methods.

**(B) Other information**

In addition to the information required to be disclosed under subparagraph (A), each application or solicitation to which such subparagraph applies shall disclose clearly and conspicuously the following information, subject to subsections (e) and (f):

**(i) Cash advance fee**

Any fee imposed for an extension of credit in the form of cash.

**(ii) Late fee**

Any fee imposed for a late payment.

**(iii) Over-the-limit fee**

Any fee imposed in connection with an extension of credit in excess of the amount of credit authorized to be extended with respect to such account.

**(2) Telephone solicitations**

**(A) In general**

In any telephone solicitation to open a credit card account for any person under an open end consumer credit plan, the person making the solicitation shall orally disclose the information described in paragraph (1)(A).

**(B) Exception**

Subparagraph (A) shall not apply to any telephone solicitation if—

(i) the credit card issuer—

(I) does not impose any fee described in paragraph (1)(A)(ii)(I); or

(II) does not impose any fee in connection with telephone solicitations unless the consumer signifies acceptance by using the card;

(ii) the card issuer discloses clearly and conspicuously in writing the information described in paragraph (1) within 30 days after the consumer requests the card, but in no event later than the date of delivery of the card; and

(iii) the card issuer discloses clearly and conspicuously that the consumer is not obligated to accept the card or account and the consumer will not be obligated to pay any of the fees or charges disclosed unless the consumer elects to accept the card or account by using the card.

**(3) Applications and solicitations by other means**

**(A) In general**

Any application to open a credit card account for any person under an open end consumer credit plan, and any solicitation to open such an account without requiring an application, that is made available to the public or contained in catalogs, magazines, or other publications shall meet the disclosure requirements of subparagraph (B), (C), or (D).

**(B) Specific information**

An application or solicitation described in subparagraph (A) meets the requirement of this subparagraph if such application or solicitation contains—

(i) the information—

(I) described in paragraph (1)(A) in the form required under section 1632(c) of this title, subject to subsection (e), and

(II) described in paragraph (1)(B) in a clear and conspicuous form, subject to subsections (e) and (f);

(ii) a statement, in a conspicuous and prominent location on the application or solicitation, that—

(I) the information is accurate as of the date the application or solicitation was printed;

(II) the information contained in the application or solicitation is subject to change after such date; and

(III) the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;

(iii) a clear and conspicuous disclosure of the date the application or solicitation was printed; and

(iv) a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided in the application or solicitation since it was printed.

**(C) General information without any specific term**

An application or solicitation described in subparagraph (A) meets the requirement of this subparagraph if such application or solicitation—

(i) contains a statement, in a conspicuous and prominent location on the application or solicitation, that—

(I) there are costs associated with the use of credit cards; and

(II) the applicant may contact the creditor to request disclosure of specific information of such costs by calling a toll free telephone number or by writing to an address, specified in the application;

(ii) contains a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number and a mailing address at which the applicant may contact the creditor to obtain such information; and

(iii) does not contain any of the items described in paragraph (1).

**(D) Applications or solicitations containing subsection (a) disclosures**

An application or solicitation meets the requirement of this subparagraph if it contains, or is accompanied by—

(i) the disclosures required by paragraphs (1) through (6) of subsection (a);

(ii) the disclosures required by subparagraphs (A) and (B) of paragraph (1) of this subsection included clearly and conspicuously<sup>1</sup> (except that the provisions of section 1632(c) of this title shall not apply); and

(iii) a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided.

**(E) Prompt response to information requests**

Upon receipt of a request for any of the information referred to in subparagraph (B), (C), or (D), the card issuer or the agent of such issuer shall promptly disclose all of the information described in paragraph (1).

**(4) Charge card applications and solicitations**

**(A) In general**

Any application or solicitation to open a charge card account shall disclose clearly and conspicuously the following information in the form required by section 1632(c) of this title, subject to subsection (e):

(i) Any annual fee, other periodic fee, or membership fee imposed for the issuance or availability of the charge card, including any account maintenance fee or other charge imposed based on activity or inactivity for the account during the billing cycle.

(ii) Any transaction charge imposed in connection with use of the card to purchase goods or services.

(iii) A statement that charges incurred by use of the charge card are due and payable upon receipt of a periodic statement rendered for such charge card account.

**(B) Other information**

In addition to the information required to be disclosed under subparagraph (A), each

written application or solicitation to which such subparagraph applies shall disclose clearly and conspicuously the following information, subject to subsections (e) and (f):

**(i) Cash advance fee**

Any fee imposed for an extension of credit in the form of cash.

**(ii) Late fee**

Any fee imposed for a late payment.

**(iii) Over-the-limit fee**

Any fee imposed in connection with an extension of credit in excess of the amount of credit authorized to be extended with respect to such account.

**(C) Applications and solicitations by other means**

Any application to open a charge card account, and any solicitation to open such an account without requiring an application, that is made available to the public or contained in catalogs, magazines, or other publications shall contain—

(i) the information—

(I) described in subparagraph (A) in the form required under section 1632(c) of this title, subject to subsection (e), and

(II) described in subparagraph (B) in a clear and conspicuous form, subject to subsections (e) and (f);

(ii) a statement, in a conspicuous and prominent location on the application or solicitation, that—

(I) the information is accurate as of the date the application or solicitation was printed;

(II) the information contained in the application or solicitation is subject to change after such date; and

(III) the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;

(iii) a clear and conspicuous disclosure of the date the application or solicitation was printed; and

(iv) a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided in the application or solicitation since it was printed.

**(D) Issuers of charge cards which provide access to open end consumer credit plans**

If a charge card permits the card holder to receive an extension of credit under an open end consumer credit plan, which is not maintained by the charge card issuer, the charge card issuer may provide the information described in subparagraphs (A) and (B) in the form required by such subparagraphs in lieu of the information required to be provided under paragraph (1), (2), or (3) with respect to any credit extended under such plan, if the charge card issuer discloses

<sup>1</sup> So in original. Probably should be "conspicuously".

clearly and conspicuously to the consumer in the application or solicitation that—

(i) the charge card issuer will make an independent decision as to whether to issue the card;

(ii) the charge card may arrive before the decision is made with respect to an extension of credit under an open end consumer credit plan; and

(iii) approval by the charge card issuer does not constitute approval by the issuer of the extension of credit.

The information required to be disclosed under paragraph (1) shall be provided to the charge card holder by the creditor which maintains such open end consumer credit plan before the first extension of credit under such plan.

**(E) Charge card defined**

For the purposes of this subsection, the term “charge card” means a card, plate, or other single credit device that may be used from time to time to obtain credit which is not subject to a finance charge.

**(5) Regulatory authority of the Bureau**

The Bureau may, by regulation, require the disclosure of information in addition to that otherwise required by this subsection or subsection (d), and modify any disclosure of information required by this subsection or subsection (d), in any application to open a credit card account for any person under an open end consumer credit plan or any application to open a charge card account for any person, or a solicitation to open any such account without requiring an application, if the Bureau determines that such action is necessary to carry out the purposes of, or prevent evasions of, any paragraph of this subsection.

**(6) Additional notice concerning “introductory rates”**

**(A) In general**

Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest, shall—

(i) use the term “introductory” in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 1632(c) of this title), the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

(iii) if the annual percentage rate that will apply after the end of the temporary

rate period will vary in accordance with an index, state in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 1632(c) of this title), the time period in which the introductory period will end and the rate that will apply after that, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

**(B) Exception**

Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

**(C) Conditions for introductory rates**

An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

(i) a general description of the circumstances that may result in the revocation of the temporary annual percentage rate; and

(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

(II) will vary in accordance with an index, the rate that will apply after the temporary rate, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

**(D) Definitions**

In this paragraph—

(i) the terms “temporary annual percentage rate of interest” and “temporary annual percentage rate” mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation; and

(ii) the term “introductory period” means the maximum time period for which the temporary annual percentage rate may be applicable.

**(E) Relation to other disclosure requirements**

Nothing in this paragraph may be construed to supersede subsection (a) of section 1632 of this title, or any disclosure required by paragraph (1) or any other provision of this subsection.

**(7) Internet-based solicitations****(A) In general**

In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

- (i) the information described in subparagraphs (A) and (B) of paragraph (1); and
- (ii) the information described in paragraph (6).

**(B) Form of disclosure**

The disclosures required by subparagraph (A) shall be—

- (i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and
- (ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

**(C) Definitions**

For purposes of this paragraph—

- (i) the term “Internet” means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and
- (ii) the term “interactive computer service” means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.

**(8) Applications from underage consumers****(A) Prohibition on issuance**

No credit card may be issued to, or open end consumer credit plan established by or on behalf of, a consumer who has not attained the age of 21, unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

**(B) Application requirements**

An application to open a credit card account by a consumer who has not attained the age of 21 as of the date of submission of the application shall require—

- (i) the signature of a cosigner, including the parent, legal guardian, spouse, or any other individual who has attained the age of 21 having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21; or
- (ii) submission by the consumer of financial information, including through an application, indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.

**(C) Safe harbor**

The Bureau shall promulgate regulations providing standards that, if met, would sat-

isfy the requirements of subparagraph (B)(ii).

**(d) Disclosure prior to renewal****(1) In general**

A card issuer that has changed or amended any term of the account since the last renewal that has not been previously disclosed or that imposes any fee described in subsection (c)(1)(A)(ii)(I) or (c)(4)(A)(i) shall transmit to a consumer at least 30 days prior to the scheduled renewal date of the consumer’s credit or charge card account a clear and conspicuous disclosure of—

- (A) the date by which, the month by which, or the billing period at the close of which, the account will expire if not renewed;
- (B) the information described in subsection (c)(1)(A) or (c)(4)(A) that would apply if the account were renewed, subject to subsection (e); and
- (C) the method by which the consumer may terminate continued credit availability under the account.

**(2) Short-term renewals**

The Bureau may by regulation provide for fewer disclosures than are required by paragraph (1) in the case of an account which is renewable for a period of less than 6 months.

**(e) Other rules for disclosures under subsections (c) and (d)****(1) Fees determined on the basis of a percentage**

If the amount of any fee required to be disclosed under subsection (c) or (d) is determined on the basis of a percentage of another amount, the percentage used in making such determination and the identification of the amount against which such percentage is applied shall be disclosed in lieu of the amount of such fee.

**(2) Disclosure only of fees actually imposed**

If a credit or charge card issuer does not impose any fee required to be disclosed under any provision of subsection (c) or (d), such provision shall not apply with respect to such issuer.

**(f) Disclosure of range of certain fees which vary by State allowed**

If the amount of any fee required to be disclosed by a credit or charge card issuer under paragraph (1)(B), (3)(B)(i)(II), (4)(B), or (4)(C)(i)(II) of subsection (c) varies from State to State, the card issuer may disclose the range of such fees for purposes of subsection (c) in lieu of the amount for each applicable State, if such disclosure includes a statement that the amount of such fee varies from State to State.

**(g) Insurance in connection with certain open end credit card plans****(1) Change in insurance carrier**

Whenever a card issuer that offers any guarantee or insurance for repayment of all or part of the outstanding balance of an open end credit card plan proposes to change the person providing that guarantee or insurance, the

card issuer shall send each insured consumer written notice of the proposed change not less than 30 days prior to the change, including notice of any increase in the rate or substantial decrease in coverage or service which will result from such change. Such notice may be included on or with the monthly statement provided to the consumer prior to the month in which the proposed change would take effect.

**(2) Notice of new insurance coverage**

In any case in which a proposed change described in paragraph (1) occurs, the insured consumer shall be given the name and address of the new guarantor or insurer and a copy of the policy or group certificate containing the basic terms and conditions, including the premium rate to be charged.

**(3) Right to discontinue guarantee or insurance**

The notices required under paragraphs (1) and (2) shall each include a statement that the consumer has the option to discontinue the insurance or guarantee.

**(4) No preemption of State law**

No provision of this subsection shall be construed as superseding any provision of State law which is applicable to the regulation of insurance.

**(5) Bureau definition of substantial decrease in coverage or service**

The Bureau shall define, in regulations, what constitutes a "substantial decrease in coverage or service" for purposes of paragraph (1).

**(h) Prohibition on certain actions for failure to incur finance charges**

A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.

**(i) Advance notice of rate increase and other changes required**

**(1) Advance notice of increase in interest rate required**

In the case of any credit card account under an open end consumer credit plan, a creditor shall provide a written notice of an increase in an annual percentage rate (except in the case of an increase described in paragraph (1), (2), or (3) of section 1666i-1(b) of this title) not later than 45 days prior to the effective date of the increase.

**(2) Advance notice of other significant changes required**

In the case of any credit card account under an open end consumer credit plan, a creditor shall provide a written notice of any significant change, as determined by rule of the Bureau, in the terms (including an increase in any fee or finance charge, other than as provided in paragraph (1)) of the cardholder agreement between the creditor and the obligor, not later than 45 days prior to the effective date of the change.

**(3) Notice of right to cancel**

Each notice required by paragraph (1) or (2) shall be made in a clear and conspicuous manner, and shall contain a brief statement of the right of the obligor to cancel the account pursuant to rules established by the Bureau before the effective date of the subject rate increase or other change.

**(4) Rule of construction**

Closure or cancellation of an account by the obligor shall not constitute a default under an existing cardholder agreement, and shall not trigger an obligation to immediately repay the obligation in full or through a method that is less beneficial to the obligor than one of the methods described in section 1666i-1(c)(2) of this title, or the imposition of any other penalty or fee.

**(j) Prohibition on penalties for on-time payments**

**(1) Prohibition on double-cycle billing and penalties for on-time payments**

Except as provided in paragraph (2), a creditor may not impose any finance charge on a credit card account under an open end consumer credit plan as a result of the loss of any time period provided by the creditor within which the obligor may repay any portion of the credit extended without incurring a finance charge, with respect to—

(A) any balances for days in billing cycles that precede the most recent billing cycle; or

(B) any balances or portions thereof in the current billing cycle that were repaid within such time period.

**(2) Exceptions**

Paragraph (1) does not apply to—

(A) any adjustment to a finance charge as a result of the resolution of a dispute; or

(B) any adjustment to a finance charge as a result of the return of a payment for insufficient funds.

**(k) Opt-in required for over-the-limit transactions if fees are imposed**

**(1) In general**

In the case of any credit card account under an open end consumer credit plan under which an over-the-limit fee may be imposed by the creditor for any extension of credit in excess of the amount of credit authorized to be extended under such account, no such fee shall be charged, unless the consumer has expressly elected to permit the creditor, with respect to such account, to complete transactions involving the extension of credit under such account in excess of the amount of credit authorized.

**(2) Disclosure by creditor**

No election by a consumer under paragraph (1) shall take effect unless the consumer, before making such election, received a notice from the creditor of any over-the-limit fee in the form and manner, and at the time, determined by the Bureau. If the consumer makes the election referred to in paragraph (1), the creditor shall provide notice to the consumer of the right to revoke the election, in the form prescribed by the Bureau, in any periodic



statement that includes notice of the imposition of an over-the-limit fee during the period covered by the statement.

**(3) Form of election**

A consumer may make or revoke the election referred to in paragraph (1) orally, electronically, or in writing, pursuant to regulations prescribed by the Bureau. The Bureau shall prescribe regulations to ensure that the same options are available for both making and revoking such election.

**(4) Time of election**

A consumer may make the election referred to in paragraph (1) at any time, and such election shall be effective until the election is revoked in the manner prescribed under paragraph (3).

**(5) Regulations**

The Bureau shall prescribe regulations—

(A) governing disclosures under this subsection; and

(B) that prevent unfair or deceptive acts or practices in connection with the manipulation of credit limits designed to increase over-the-limit fees or other penalty fees.

**(6) Rule of construction**

Nothing in this subsection shall be construed to prohibit a creditor from completing an over-the-limit transaction, provided that a consumer who has not made a valid election under paragraph (1) is not charged an over-the-limit fee for such transaction.

**(7) Restriction on fees charged for an over-the-limit transaction**

With respect to a credit card account under an open end consumer credit plan, an over-the-limit fee may be imposed only once during a billing cycle if the credit limit on the account is exceeded, and an over-the-limit fee, with respect to such excess credit, may be imposed only once in each of the 2 subsequent billing cycles, unless the consumer has obtained an additional extension of credit in excess of such credit limit during any such subsequent cycle or the consumer reduces the outstanding balance below the credit limit as of the end of such billing cycle.

**(l) Limit on fees related to method of payment**

With respect to a credit card account under an open end consumer credit plan, the creditor may not impose a separate fee to allow the obligor to repay an extension of credit or finance charge, whether such repayment is made by mail, electronic transfer, telephone authorization, or other means, unless such payment involves an expedited service by a service representative of the creditor.

**(m) Use of term “fixed rate”**

With respect to the terms of any credit card account under an open end consumer credit plan, the term “fixed”, when appearing in conjunction with a reference to the annual percentage rate or interest rate applicable with respect to such account, may only be used to refer to an annual percentage rate or interest rate that will not change or vary for any reason over the pe-

riod specified clearly and conspicuously in the terms of the account.

**(n) Standards applicable to initial issuance of subprime or “fee harvester” cards**

**(1) In general**

If the terms of a credit card account under an open end consumer credit plan require the payment of any fees (other than any late fee, over-the-limit fee, or fee for a payment returned for insufficient funds) by the consumer in the first year during which the account is opened in an aggregate amount in excess of 25 percent of the total amount of credit authorized under the account when the account is opened, no payment of any fees (other than any late fee, over-the-limit fee, or fee for a payment returned for insufficient funds) may be made from the credit made available under the terms of the account.

**(2) Rule of construction**

No provision of this subsection may be construed as authorizing any imposition or payment of advance fees otherwise prohibited by any provision of law.

**(o) Due dates for credit card accounts**

**(1) In general**

The payment due date for a credit card account under an open end consumer credit plan shall be the same day each month.

**(2) Weekend or holiday due dates**

If the payment due date for a credit card account under an open end consumer credit plan is a day on which the creditor does not receive or accept payments by mail (including weekends and holidays), the creditor may not treat a payment received on the next business day as late for any purpose.

**(p) Parental approval required to increase credit lines for accounts for which parent is jointly liable**

No increase may be made in the amount of credit authorized to be extended under a credit card account for which a parent, legal guardian, or spouse of the consumer, or any other individual has assumed joint liability for debts incurred by the consumer in connection with the account before the consumer attains the age of 21, unless that parent, guardian, or spouse approves in writing, and assumes joint liability for, such increase.

**(r)<sup>2</sup> College card agreements**

**(1) Definitions**

For purposes of this subsection, the following definitions shall apply:

**(A) College affinity card**

The term “college affinity card” means a credit card issued by a credit card issuer under an open end consumer credit plan in conjunction with an agreement between the issuer and an institution of higher education, or an alumni organization or foundation affiliated with or related to such institution, under which such cards are issued to

<sup>2</sup>So in original. No subsec. (q) has been enacted.

college students who have an affinity with such institution, organization and—

(i) the creditor has agreed to donate a portion of the proceeds of the credit card to the institution, organization, or foundation (including a lump sum or 1-time payment of money for access);

(ii) the creditor has agreed to offer discounted terms to the consumer; or

(iii) the credit card bears the name, emblem, mascot, or logo of such institution, organization, or foundation, or other words, pictures, or symbols readily identified with such institution, organization, or foundation.

#### **(B) College student credit card account**

The term “college student credit card account” means a credit card account under an open end consumer credit plan established or maintained for or on behalf of any college student.

#### **(C) College student**

The term “college student” means an individual who is a full-time or a part-time student attending an institution of higher education.

#### **(D) Institution of higher education**

The term “institution of higher education” has the same meaning as in section<sup>3</sup> 1001 and 1002 of title 20.

### **(2) Reports by creditors**

#### **(A) In general**

Each creditor shall submit an annual report to the Bureau containing the terms and conditions of all business, marketing, and promotional agreements and college affinity card agreements with an institution of higher education, or an alumni organization or foundation affiliated with or related to such institution, with respect to any college student credit card issued to a college student at such institution.

#### **(B) Details of report**

The information required to be reported under subparagraph (A) includes—

(i) any memorandum of understanding between or among a creditor, an institution of higher education, an alumni association, or foundation that directly or indirectly relates to any aspect of any agreement referred to in such subparagraph or controls or directs any obligations or distribution of benefits between or among any such entities;

(ii) the amount of any payments from the creditor to the institution, organization, or foundation during the period covered by the report, and the precise terms of any agreement under which such amounts are determined; and

(iii) the number of credit card accounts covered by any such agreement that were opened during the period covered by the report, and the total number of credit card accounts covered by the agreement that were outstanding at the end of such period.

#### **(C) Aggregation by institution**

The information required to be reported under subparagraph (A) shall be aggregated with respect to each institution of higher education or alumni organization or foundation affiliated with or related to such institution.

#### **(D) Initial report**

The initial report required under subparagraph (A) shall be submitted to the Bureau before the end of the 9-month period beginning on May 22, 2009.

#### **(3) Reports by Bureau**

The Bureau shall submit to the Congress, and make available to the public, an annual report that lists the information concerning credit card agreements submitted to the Bureau under paragraph (2) by each institution of higher education, alumni organization, or foundation.

(Pub. L. 90-321, title I, § 127, May 29, 1968, 82 Stat. 153; Pub. L. 93-495, title III, §§ 304, 305, title IV, §§ 411, 415, Oct. 28, 1974, 88 Stat. 1511, 1519, 1521; Pub. L. 96-221, title VI, § 613(a)-(e), Mar. 31, 1980, 94 Stat. 176, 177; Pub. L. 100-583, §§ 2(a), 6, Nov. 3, 1988, 102 Stat. 2960, 2968; Pub. L. 100-709, § 2(b), Nov. 23, 1988, 102 Stat. 4729; Pub. L. 109-8, title XIII, §§ 1301(a), 1303(a), 1304(a), 1305(a), 1306(a), Apr. 20, 2005, 119 Stat. 204, 209, 211, 212; Pub. L. 111-24, title I, §§ 101(a)(1), 102(a), 103, 105, 106(a), title II, §§ 201(a), 202, 203, title III, §§ 301, 303, 305(a), May 22, 2009, 123 Stat. 1735, 1738, 1741-1743, 1745-1749; Pub. L. 111-203, title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

#### AMENDMENTS

2010—Pub. L. 111-203 substituted “Bureau” for “Board” wherever appearing.

2009—Subsec. (b)(11). Pub. L. 111-24, § 201(a), amended par. (11) generally, revising the minimum payment disclosures required from creditors.

Subsec. (b)(12). Pub. L. 111-24, § 202, amended par. (12) generally. Prior to amendment, par. (12) read as follows: “If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date, the following shall be stated clearly and conspicuously on the billing statement:

“(A) The date on which that payment is due or, if different, the earliest date on which a late payment fee may be charged.

“(B) The amount of the late payment fee to be imposed if payment is made after such date.”

Subsec. (c)(8). Pub. L. 111-24, § 301, added par. (8).

Subsec. (d)(1). Pub. L. 111-24, § 203(3), substituted “A card issuer that has changed or amended any term of the account since the last renewal that has not been previously disclosed or” for “Except as provided in paragraph (2), a card issuer” in introductory provisions.

Subsec. (d)(2), (3). Pub. L. 111-24, § 203(1), (2), redesignated par. (3) as (2) and struck out former par. (2) which provided a special rule for certain disclosures.

Subsec. (i). Pub. L. 111-24, § 101(a)(1), added subsec. (i).

Subsecs. (j) to (l). Pub. L. 111-24, § 102(a), added subsecs. (j) to (l).

Subsec. (m). Pub. L. 111-24, § 103, added subsec. (m).

Subsec. (n). Pub. L. 111-24, § 105, added subsec. (n).

Subsec. (o). Pub. L. 111-24, § 106(a), added subsec. (o).

Subsec. (p). Pub. L. 111-24, § 303, added subsec. (p).

Subsec. (r). Pub. L. 111-24, § 305(a), added subsec. (r).

2005—Subsec. (b)(11). Pub. L. 109-8, § 1301(a), added par. (11).

Subsec. (b)(12). Pub. L. 109-8, § 1305(a), added par. (12).

<sup>3</sup> So in original. Probably should be “sections”.

Subsec. (c)(6). Pub. L. 109-8, § 1303(a), added par. (6).  
 Subsec. (c)(7). Pub. L. 109-8, § 1304(a), added par. (7).  
 Subsec. (h). Pub. L. 109-8, § 1306(a), added subsec. (h).  
 1988—Subsec. (a)(8). Pub. L. 100-709 added par. (8).  
 Subsecs. (c) to (f). Pub. L. 100-583, § 2(a), added subsecs. (c) to (f).

Subsec. (g). Pub. L. 100-583, § 6, added subsec. (g).  
 1980—Subsec. (a)(1). Pub. L. 96-221, § 613(a)(1), inserted provisions requiring the creditor to disclose that no time period is provided.

Subsec. (a)(5). Pub. L. 96-221, § 613(a)(2), (3), redesignated par. (6) as (5) and inserted provisions relating to identification of other charges, and regulations by the Board. Former par. (5), relating to elective rights of the creditor, was struck out.

Subsec. (a)(6). Pub. L. 96-221, § 613(a)(2), (3), redesignated par. (7) as (6) and revised nomenclature and expanded statement requirements. Former par. (6) redesignated (5).

Subsec. (a)(7), (8). Pub. L. 96-221, § 613(a)(2), (d), redesignated par. (8) as (7) and substituted provisions relating to one billing cycle per calendar year, for provisions relating to each of two billing cycles per year. Former par. (7) redesignated (6).

Subsec. (b)(2). Pub. L. 96-221, § 613(b), inserted provisions relating to failure of the creditor to disclose information in accordance with this paragraph, and made minor changes in phraseology.

Subsec. (b)(7) to (11). Pub. L. 96-221, § 613(c), struck out par. (7) which related to elective rights of the creditor, and redesignated pars. (8) to (11) as (7) to (10), respectively.

Subsec. (c). Pub. L. 96-221, § 613(e), struck out subsec. (c) which related to the time for making disclosures with respect to open end consumer credit plans having an outstanding balance of more than \$1 at or after the close of the first full billing cycle.

1974—Subsec. (a)(1). Pub. L. 93-495, § 415(1), inserted exception relating to nonimposition of a finance charge at the election of the creditor and without disclosure.

Subsec. (a)(8). Pub. L. 93-495, § 304(a), added par. (8).

Subsec. (b)(2). Pub. L. 93-495, § 411, substituted provisions requiring a brief identification on or accompanying the statement of credit extension sufficient to enable the obligor to identify the transaction or relate it to copies of sales vouchers or similar instruments previously furnished, for provisions requiring for purchases a brief identification, unless previously furnished, of the goods or services purchased.

Subsec. (b)(10). Pub. L. 93-495, § 415(2), inserted exception relating to nonimposition of additional finance charge at the election of the creditor and without disclosure.

Subsec. (b)(11). Pub. L. 93-495, § 305, added par. (11).

Subsec. (c). Pub. L. 93-495, § 304(b), substituted provisions relating to disclosure requirements in a notice mailed or delivered to the obligor not later than the time of mailing the next statement required by subsec. (b) of this section, for provisions relating to disclosure requirements in a notice mailed or delivered to the obligor not later than thirty days after July 1, 1969.

#### 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.

Pub. L. 111-24, title I, § 101(a)(2), May 22, 2009, 123 Stat. 1736, provided that: “Notwithstanding section 3 [see Effective Date of 2009 Amendment note set out under section 1602 of this title], section 127(i) of the Truth in Lending Act [15 U.S.C. 1637(i)], as added by this subsection, shall become effective 90 days after the date of enactment of this Act [May 22, 2009].”

#### EFFECTIVE DATE OF 2005 AMENDMENT

Pub. L. 109-8, title XIII, § 1301(b)(2), Apr. 20, 2005, 119 Stat. 207, provided that: “Section 127(b)(11) of the Truth in Lending Act [subsec. (b)(11) of this section], as added by subsection (a) of this section, and the regulations issued under paragraph (1) of this subsection [set out as a note under this section] shall not take effect until the later of—

“(A) 18 months after the date of enactment of this Act [Apr. 20, 2005]; or

“(B) 12 months after the publication of such final regulations by the Board [of Governors of the Federal Reserve System] [Jan. 29, 2009, see 74 F.R. 5244].”

Pub. L. 109-8, title XIII, § 1303(b)(2), Apr. 20, 2005, 119 Stat. 211, provided that: “Section 127(c)(6) of the Truth in Lending Act [subsec. (c)(6) of this section], as added by this section, and regulations issued under paragraph (1) of this subsection [set out as a note under this section] shall not take effect until the later of—

“(A) 12 months after the date of enactment of this Act [Apr. 20, 2005]; or

“(B) 12 months after the date of publication of such final regulations by the Board [of Governors of the Federal Reserve System] [Jan. 29, 2009, see 74 F.R. 5244].”

Pub. L. 109-8, title XIII, § 1304(b)(2), Apr. 20, 2005, 119 Stat. 212, provided that: “The amendment made by subsection (a) [amending this section] and the regulations issued under paragraph (1) of this subsection [set out as a note under this section] shall not take effect until the later of—

“(A) 12 months after the date of enactment of this Act [Apr. 20, 2005]; or

“(B) 12 months after the date of publication of such final regulations by the Board [of Governors of the Federal Reserve System] [Jan. 29, 2009, see 74 F.R. 5244].”

Pub. L. 109-8, title XIII, § 1305(b)(2), Apr. 20, 2005, 119 Stat. 212, provided that: “The amendment made by subsection (a) [amending this section] and regulations issued under paragraph (1) of this subsection [set out as a note under this section] shall not take effect until the later of—

“(A) 12 months after the date of enactment of this Act [Apr. 20, 2005]; or

“(B) 12 months after the date of publication of such final regulations by the Board [of Governors of the Federal Reserve System] [Jan. 29, 2009, see 74 F.R. 5244].”

Pub. L. 109-8, title XIII, § 1306(b)(2), Apr. 20, 2005, 119 Stat. 212, provided that: “The amendment made by subsection (a) [amending this section] and regulations issued under paragraph (1) of this subsection [set out as a note under this section] shall not take effect until the later of—

“(A) 12 months after the date of enactment of this Act [Apr. 20, 2005]; or

“(B) 12 months after the date of publication of such final regulations by the Board [of Governors of the Federal Reserve System] [Jan. 29, 2009, see 74 F.R. 5244].”

#### EFFECTIVE DATE OF 1988 AMENDMENT

For effective date of amendments by Pub. L. 100-709, see Regulations; Effective Date note below.

#### 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 OF 1974 AMENDMENT

For effective date of amendment by sections 304 and 305 of Pub. L. 93-495, see section 308 of Pub. L. 93-495,

set out as an Effective Date note under section 1666 of this title.

For effective date of amendment by section 411 of Pub. L. 93-495, see section 416 of Pub. L. 93-495, set out as an Effective Date note under section 1665a of this title.

Amendment by section 415 of Pub. L. 93-495 effective Oct. 28, 1974, see section 416 of Pub. L. 93-495, set out as an Effective Date note under section 1665a of this title.

#### REGULATIONS

Pub. L. 111-24, title II, §201(c), May 22, 2009, 123 Stat. 1745, provided that:

“(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act [May 22, 2009], the Board [of Governors of the Federal Reserve System] shall issue guidelines, by rule, in consultation with the Secretary of the Treasury, for the establishment and maintenance by creditors of a toll-free telephone number for purposes of providing information about accessing credit counseling and debt management services, as required under section 127(b)(11)(B)(iv) of the Truth in Lending Act [15 U.S.C. 1637(b)(11)(B)(iv)], as added by this section.

“(2) APPROVED AGENCIES.—Guidelines issued under this subsection shall ensure that referrals provided by the toll-free number referred to in paragraph (1) include only those nonprofit budget and credit counseling agencies approved by a United States bankruptcy trustee pursuant to section 111(a) of title 11, United States Code.”

Pub. L. 109-8, title XIII, §1301(b)(1), Apr. 20, 2005, 119 Stat. 207, provided that: “The Board of Governors of the Federal Reserve System (hereafter in this title [amending this section and sections 1637a, 1638, 1664, and 1665b of this title and enacting provisions set out as notes under this section and section 1637a of this title] referred to as the ‘Board’) shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act [subsec. (b)(11) of this section], as added by subsection (a) of this section.”

Pub. L. 109-8, title XIII, §1303(b)(1), Apr. 20, 2005, 119 Stat. 211, provided that: “The Board [of Governors of the Federal Reserve System] shall promulgate regulations implementing the requirements of section 127(c)(6) of the Truth in Lending Act [subsec. (c)(6) of this section], as added by this section.”

Pub. L. 109-8, title XIII, §1304(b)(1), Apr. 20, 2005, 119 Stat. 211, provided that: “The Board [of Governors of the Federal Reserve System] shall promulgate regulations implementing the requirements of section 127(c)(7) of the Truth in Lending Act [subsec. (c)(7) of this section], as added by this section.”

Pub. L. 109-8, title XIII, §1305(b)(1), Apr. 20, 2005, 119 Stat. 212, provided that: “The Board [of Governors of the Federal Reserve System] shall promulgate regulations implementing the requirements of section 127(b)(12) of the Truth in Lending Act [subsec. (b)(12) of this section], as added by this section.”

Pub. L. 109-8, title XIII, §1306(b)(1), Apr. 20, 2005, 119 Stat. 212, provided that: “The Board [of Governors of the Federal Reserve System] shall promulgate regulations implementing the requirements of section 127(h) of the Truth in Lending Act [subsec. (h) of this section], as added by this section.”

Pub. L. 109-8, title XIII, §1309, Apr. 20, 2005, 119 Stat. 213, provided that:

“(a) REGULATIONS.—Not later than 6 months after the date of enactment of this Act [Apr. 20, 2005], the Board [of Governors of the Federal Reserve System], in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813]), the National Credit Union Administration Board, and the Federal Trade Commission, shall promulgate regulations to provide guidance regarding the meaning of the term ‘clear and conspicuous’, as used in subparagraphs (A), (B), and (C) of section 127(b)(11) and clauses (ii) and (iii) of section 127(c)(6)(A) of the Truth in Lending Act [subsecs. (b)(11) and (c)(6)(A) of this section].

“(b) EXAMPLES.—Regulations promulgated under subsection (a) shall include examples of clear and conspicuous model disclosures for the purposes of disclosures required by the provisions of the Truth in Lending Act [15 U.S.C. 1601 et seq.] referred to in subsection (a).

“(c) STANDARDS.—In promulgating regulations under this section, the Board [of Governors of the Federal Reserve System] shall ensure that the clear and conspicuous standard required for disclosures made under the provisions of the Truth in Lending Act referred to in subsection (a) can be implemented in a manner which results in disclosures which are reasonably understandable and designed to call attention to the nature and significance of the information in the notice.”

#### REGULATIONS; EFFECTIVE DATE

For provisions relating to promulgation of regulations to implement amendment by Pub. L. 100-709, and effective date of such amendment in connection with those regulations, see section 7 of Pub. L. 100-709, set out as a note under section 1637a of this title.

Pub. L. 100-583, §7, Nov. 3, 1988, 102 Stat. 2968, provided that: “Any regulation required to be prescribed by the Board under the amendments made by section 2 [amending this section and section 1632 of this title] shall—

“(1) take effect not later than the end of the 150-day period beginning on the date of the enactment of this Act [Nov. 3, 1988]; and

“(2) apply only with respect to applications, solicitations, and other material distributed after the end of the 150-day period beginning after the end of the period referred to in paragraph (1), except that—

“(A) in the case of applications and solicitations subject to paragraph (3) or (4)(C) of section 127(c) of the Truth in Lending Act [15 U.S.C. 1637(c)(3), (4)(C)] (as added by section 2), such period shall be 240 days; and

“(B) any card issuer may, at its option, comply with the requirements of the amendments made by this Act [see Short Title of 1988 Amendment note under section 1601 of this title] prior to the applicable effective date, in which case the amendments made by this Act shall be fully applicable to such card issuer.”

#### REPORTS TO CONGRESS

Pub. L. 111-24, title III, §305(b), May 22, 2009, 123 Stat. 1750, provided that:

“(1) STUDY.—The Comptroller General of the United States shall, from time to time, review the reports submitted by creditors under section 127(r) of the Truth in Lending Act [15 U.S.C. 1637(r)], as added by this section, and the marketing practices of creditors to determine the impact that college affinity card agreements and college student card agreements have on credit card debt.

“(2) REPORT.—Upon completion of any study under paragraph (1), the Comptroller General shall periodically submit a report to the Congress on the findings and conclusions of the study, together with such recommendations for administrative or legislative action as the Comptroller General determines to be appropriate.”

Pub. L. 100-583, §8, Nov. 3, 1988, 102 Stat. 2969, provided that: “Not later than 1 year after the regulations prescribed under section 7 of this Act [set out as a note above] become effective and annually thereafter, the Board of Governors of the Federal Reserve System shall transmit to the Congress a report containing an assessment by the Board of the profitability of credit card operations of depository institutions, including an analysis of any impact of the amendments made by this Act [see Short Title of 1988 Amendment note under section 1601 of this title] on such profitability.”

**§ 1637a. Disclosure requirements for open end consumer credit plans secured by consumer's principal dwelling**

**(a) Application disclosures**

In the case of any open end consumer credit plan which provides for any extension of credit which is secured by the consumer's principal dwelling, the creditor shall make the following disclosures in accordance with subsection (b):

**(1) Fixed annual percentage rate**

Each annual percentage rate imposed in connection with extensions of credit under the plan and a statement that such rate does not include costs other than interest.

**(2) Variable percentage rate**

In the case of a plan which provides for variable rates of interest on credit extended under the plan—

(A) a description of the manner in which such rate will be computed and a statement that such rate does not include costs other than interest;

(B) a description of the manner in which any changes in the annual percentage rate will be made, including—

- (i) any negative amortization and interest rate carryover;
- (ii) the timing of any such changes;
- (iii) any index or margin to which such changes in the rate are related; and
- (iv) a source of information about any such index;

(C) if an initial annual percentage rate is offered which is not based on an index—

- (i) a statement of such rate and the period of time such initial rate will be in effect; and
- (ii) a statement that such rate does not include costs other than interest;

(D) a statement that the consumer should ask about the current index value and interest rate;

(E) a statement of the maximum amount by which the annual percentage rate may change in any 1-year period or a statement that no such limit exists;

(F) a statement of the maximum annual percentage rate that may be imposed at any time under the plan;

(G) subject to subsection (b)(3), a table, based on a \$10,000 extension of credit, showing how the annual percentage rate and the minimum periodic payment amount under each repayment option of the plan would have been affected during the preceding 15-year period by changes in any index used to compute such rate;

(H) a statement of—

- (i) the maximum annual percentage rate which may be imposed under each repayment option of the plan;
- (ii) the minimum amount of any periodic payment which may be required, based on a \$10,000 outstanding balance, under each such option when such maximum annual percentage rate is in effect; and
- (iii) the earliest date by which such maximum annual interest rate may be imposed; and

(I) a statement that interest rate information will be provided on or with each periodic statement.

**(3) Other fees imposed by the creditor**

An itemization of any fees imposed by the creditor in connection with the availability or use of credit under such plan, including annual fees, application fees, transaction fees, and closing costs (including costs commonly described as "points"), and the time when such fees are payable.

**(4) Estimates of fees which may be imposed by third parties**

**(A) Aggregate amount**

An estimate, based on the creditor's experience with such plans and stated as a single amount or as a reasonable range, of the aggregate amount of additional fees that may be imposed by third parties (such as governmental authorities, appraisers, and attorneys) in connection with opening an account under the plan.

**(B) Statement of availability**

A statement that the consumer may ask the creditor for a good faith estimate by the creditor of the fees that may be imposed by third parties.

**(5) Statement of risk of loss of dwelling**

A statement that—

- (A) any extension of credit under the plan is secured by the consumer's dwelling; and
- (B) in the event of any default, the consumer risks the loss of the dwelling.

**(6) Conditions to which disclosed terms are subject**

**(A) Period during which such terms are available**

A clear and conspicuous statement—

- (i) of the time by which an application must be submitted to obtain the terms disclosed; or
- (ii) if applicable, that the terms are subject to change.

**(B) Right of refusal if certain terms change**

A statement that—

- (i) the consumer may elect not to enter into an agreement to open an account under the plan if any term changes (other than a change contemplated by a variable feature of the plan) before any such agreement is final; and
- (ii) if the consumer makes an election described in clause (i), the consumer is entitled to a refund of all fees paid in connection with the application.

**(C) Retention of information**

A statement that the consumer should make or otherwise retain a copy of information disclosed under this subparagraph.

**(7) Rights of creditor with respect to extensions of credit**

A statement that—

- (A) under certain conditions, the creditor may terminate any account under the plan and require immediate repayment of any