

S 2438

Predatory Lending Consumer Protection Act of 2002

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: May 1, 2002

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (May 1, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/2438>

Sponsor

Name: Sen. Sarbanes, Paul S. [D-MD]

Party: Democratic • **State:** MD • **Chamber:** Senate

Cosponsors (15 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Boxer, Barbara [D-CA]	D · CA		May 1, 2002
Sen. Clinton, Hillary Rodham [D-NY]	D · NY		May 1, 2002
Sen. Corzine, Jon S. [D-NJ]	D · NJ		May 1, 2002
Sen. Dayton, Mark [D-MN]	D · MN		May 1, 2002
Sen. Dodd, Christopher J. [D-CT]	D · CT		May 1, 2002
Sen. Durbin, Richard J. [D-IL]	D · IL		May 1, 2002
Sen. Kennedy, Edward M. [D-MA]	D · MA		May 1, 2002
Sen. Kerry, John F. [D-MA]	D · MA		May 1, 2002
Sen. Levin, Carl [D-MI]	D · MI		May 1, 2002
Sen. Mikulski, Barbara A. [D-MD]	D · MD		May 1, 2002
Sen. Schumer, Charles E. [D-NY]	D · NY		May 1, 2002
Sen. Stabenow, Debbie [D-MI]	D · MI		May 1, 2002
Sen. Torricelli, Robert G. [D-NJ]	D · NJ		May 1, 2002
Sen. Wellstone, Paul D. [D-MN]	D · MN		May 1, 2002
Sen. Carnahan, Jean [D-MO]	D · MO		Jun 27, 2002

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 1, 2002

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Summary (as of May 1, 2002)

Predatory Lending Consumer Protection Act of 2002 - Amends the Truth in Lending Act guidelines for certain credit transactions secured by the consumer's principal dwelling (high-cost mortgage).

Requires additional disclosures that the consumer is contracting to pay a much higher loan than most people pay. Specifies additional prohibitions against prepayment penalties, except in certain circumstances. Prohibits all balloon payments. Prohibits the terms of a high-cost mortgage from including advance collection of a premium on a single premium basis for specified credit insurance products.

Restricts the amount of points and fees which a creditor may finance in connection with a high-cost mortgage. Prohibits certain creditors from financing the prepayment fees or penalties due from the consumer.

Prohibits a high-cost mortgage creditor from engaging in specified practices, including requiring arbitration or any other nonjudicial procedure as a method for resolving any controversy or claims arising from the transaction.

Declares a consumer's waiver of the right of rescission ineffective if the creditor either advised, or encouraged such waiver, or required it as a precondition for a transaction.

Amends the Fair Credit Reporting Act to mandate that each high-cost mortgage creditor (including the successor creditor) report the debtor's complete payment history to certain consumer reporting agencies in accordance with specified regulations.

Actions Timeline

- **May 1, 2002:** Introduced in Senate
- **May 1, 2002:** Sponsor introductory remarks on measure. (CR S3629)
- **May 1, 2002:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.