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Predatory Lending Consumer Protection Act of 2003

Congress: 108 (2003–2005, Ended)
Chamber: Senate
Policy Area: Finance and Financial Sector
Introduced: Nov 21, 2003
Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as
Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S15471-15473) (Nov 21, 2003)
Official Text: https://www.congress.gov/bill/108th-congress/senate-bill/1928

Sponsor

Name: Sen. Sarbanes, Paul S. [D-MD]
Party: Democratic • **State:** MD • **Chamber:** Senate

Cosponsors (15 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Akaka, Daniel K. [D-HI]	D · HI		Nov 21, 2003
Sen. Clinton, Hillary Rodham [D-NY]	D · NY		Nov 21, 2003
Sen. Corzine, Jon S. [D-NJ]	D · NJ		Nov 21, 2003
Sen. Dayton, Mark [D-MN]	D · MN		Nov 21, 2003
Sen. Dodd, Christopher J. [D-CT]	D · CT		Nov 21, 2003
Sen. Durbin, Richard J. [D-IL]	D · IL		Nov 21, 2003
Sen. Kennedy, Edward M. [D-MA]	D · MA		Nov 21, 2003
Sen. Kerry, John F. [D-MA]	D · MA		Nov 21, 2003
Sen. Lautenberg, Frank R. [D-NJ]	D · NJ		Nov 21, 2003
Sen. Leahy, Patrick J. [D-VT]	D · VT		Nov 21, 2003
Sen. Levin, Carl [D-MI]	D · MI		Nov 21, 2003
Sen. Mikulski, Barbara A. [D-MD]	D · MD		Nov 21, 2003
Sen. Schumer, Charles E. [D-NY]	D · NY		Nov 21, 2003
Sen. Stabenow, Debbie [D-MI]	D · MI		Nov 21, 2003
Sen. Edwards, John [D-NC]	D · NC		Dec 9, 2003

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Nov 22, 2003

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Summary (as of Nov 21, 2003)

Predatory Lending Consumer Protection Act of 2003 - Amends the Truth in Lending Act guidelines for certain credit transactions secured by the consumer's principal dwelling (high-cost mortgage). Redefines a high-cost mortgage, lowering the maximum interest rates involved. Specifies additional costs, fees, and penalties included among points and fees. Defines bona fide discount points and benchmark rate.
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 number of points and amount of 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 actions encouraging default and requiring arbitration or any other nonjudicial procedure as a method for resolving any controversy or claims arising from the transaction. Prescribes consumer counseling requirements.

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 require 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

- **Nov 21, 2003:** Introduced in Senate
- **Nov 21, 2003:** Sponsor introductory remarks on measure. (CR S15470-15471)
- **Nov 21, 2003:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S15471-15473)