

HR 3974

Prohibit Predatory Lending Act

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Mar 16, 2004

Current Status: Referred to the Subcommittee on Housing and Community Opportunity.

Latest Action: Referred to the Subcommittee on Housing and Community Opportunity. (Mar 29, 2004)

Official Text: <https://www.congress.gov/bill/108th-congress/house-bill/3974>

Sponsor

Name: Rep. Miller, Brad [D-NC-13]

Party: Democratic • **State:** NC • **Chamber:** House

Cosponsors (19 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Watt, Melvin L. [D-NC-12]	D · NC		Mar 16, 2004
Rep. Frank, Barney [D-MA-4]	D · MA		Mar 18, 2004
Rep. Ballance, Frank W., Jr. [D-NC-1]	D · NC		Mar 25, 2004
Rep. Brady, Robert A. [D-PA-1]	D · PA		Mar 25, 2004
Rep. Carson, Julia [D-IN-7]	D · IN		Mar 25, 2004
Rep. Owens, Major R. [D-NY-11]	D · NY		Mar 25, 2004
Rep. Clay, Wm. Lacy [D-MO-1]	D · MO		Mar 30, 2004
Rep. Price, David E. [D-NC-4]	D · NC		Mar 30, 2004
Rep. Lofgren, Zoe [D-CA-16]	D · CA		Apr 1, 2004
Rep. Lee, Barbara [D-CA-9]	D · CA		May 11, 2004
Rep. Rush, Bobby L. [D-IL-1]	D · IL		May 18, 2004
Rep. Sanders, Bernard [I-VT-At Large]	I · VT		May 18, 2004
Rep. Cummings, Elijah E. [D-MD-7]	D · MD		Jun 23, 2004
Rep. Kucinich, Dennis J. [D-OH-10]	D · OH		Jun 23, 2004
Rep. Waters, Maxine [D-CA-35]	D · CA		Jun 23, 2004
Rep. Conyers, John, Jr. [D-MI-14]	D · MI		Jul 7, 2004
Rep. Thompson, Bennie G. [D-MS-2]	D · MS		Jul 7, 2004
Rep. Butterfield, G. K. [D-NC-1]	D · NC		Sep 7, 2004
Rep. Wynn, Albert Russell [D-MD-4]	D · MD		Sep 7, 2004

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred to	Mar 29, 2004
Financial Services Committee	House	Referred to	Mar 29, 2004

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Summary (as of Mar 16, 2004)

Prohibit Predatory Lending Act - Amends the Truth in Lending Act in connection with consumer credit cost disclosure to redefine: (1) the formula used to adjust certain percentage points in connection with a consumer credit transaction secured by the consumer's principal dwelling; and (2) related points and fees.

Sets forth a formula to calculate: (1) points and fees for open-end loans; and (2) bona fide discount points and prepayment penalties.

Revises requirements for: (1) prepayment penalties; (2) balloon payments; and (3) extension of credit without regard to consumer's payment ability.

Prohibits in connection with high-cost mortgages: (1) a creditor from recommending a default on an existing debt prior to and in connection with the closing of a high-cost mortgage that refinances all or any portion of such existing loan or debt; (2) specified late fees; (3) certain accelerations of debt; (4) certain evasions, structuring of transactions, and reciprocal arrangements; (5) certain modification and deferral fees; and (6) mandatory arbitration or other nonjudicial procedures.

Mandates pre-loan counseling as a prerequisite for a high-loan mortgage.

Revises guidelines governing creditor liability for correction of errors. Doubles civil money penalties for certain violations.

Extends to three years the statute of limitations for violation of certain statutory disclosure requirements.

Prohibits a creditor from knowingly or intentionally engaging in the unfair act or practice of flipping (the making of a loan or extension of credit to a consumer which refinances an existing mortgage when the new loan or credit extension does not have reasonable, tangible net benefit to the consumer, considering all of the circumstances, including the terms of both the new and the refinanced loans or credit, the cost of the new loan or credit, and the consumer's circumstances).

Prohibits single premium credit insurance.

Actions Timeline

- **Mar 29, 2004:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
- **Mar 29, 2004:** Referred to the Subcommittee on Housing and Community Opportunity.
- **Mar 16, 2004:** Introduced in House
- **Mar 16, 2004:** Introduced in House
- **Mar 16, 2004:** Referred to the House Committee on Financial Services.