

S 3632

FAIR Act

Congress: 110 (2007–2009, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Sep 26, 2008

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. (Sep 26, 2008)

Official Text: <https://www.congress.gov/bill/110th-congress/senate-bill/3632>

Sponsor

Name: Sen. Menendez, Robert [D-NJ]

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

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Sep 26, 2008

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Fostering American Independence from Regressive and Abusive Credit Transactions Act of 2008 or the FAIR Act - Amends the Truth in Lending Act to prescribe a maximum annual percentage rate (APR) of 36% for any extension of credit to a consumer.

Prohibits a creditor from: (1) cashing or advancing money for a post-dated check in exchange for a fee or other payment of interest, other than as otherwise authorized for the payment of a preexisting debt; or (2) holding a check, requiring electronic access to an account at a financial institution, or holding title to personal property as collateral for a loan or other extension of credit (except in connection with the purchase or rental of such personal property).

Requires a creditor to provide to the consumer in writing at or before the issuance of credit: (1) the applicable APR; and (2) a clear description of payment obligations.

Declares null and void and unenforceable any consumer credit transaction made in violation of this Act. Requires the creditor or subsequent holder to promptly return to the consumer any principal, interest, charges, fees, and any security interest associated with such a transaction.

Subjects violations of this Act to specified civil and criminal penalties.

Directs the Federal Deposit Insurance Corporation (FDIC) to establish a program to encourage insured depository institutions to incorporate small consumer loans of \$1,000 or less into their regular banking services.

Includes participation in the loan program established under this Act as a factor in the determination by the appropriate federal financial supervisory agency of whether an insured depository institution is meeting the credit needs of its community under the Community Reinvestment Act of 1977.

Directs the FDIC and the National Credit Union Administration to study and report to Congress on best practices to provide incentives for mainstream financial institutions to provide small dollar amount loans to consumers, including innovative state and local programs, private sector, and not-for-profit initiatives.

Actions Timeline

- **Sep 26, 2008:** Introduced in Senate
- **Sep 26, 2008:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.