

S 2760

SAFE Lending Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Apr 7, 2016

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

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory remarks on measure: CR S1811-1812) (Apr 7, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/2760>

Sponsor

Name: Sen. Merkley, Jeff [D-OR]

Party: Democratic • State: OR • Chamber: Senate

Cosponsors (13 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Baldwin, Tammy [D-WI]	D · WI		Apr 7, 2016
Sen. Blumenthal, Richard [D-CT]	D · CT		Apr 7, 2016
Sen. Booker, Cory A. [D-NJ]	D · NJ		Apr 7, 2016
Sen. Durbin, Richard J. [D-IL]	D · IL		Apr 7, 2016
Sen. Franken, Al [D-MN]	D · MN		Apr 7, 2016
Sen. Heinrich, Martin [D-NM]	D · NM		Apr 7, 2016
Sen. Markey, Edward J. [D-MA]	D · MA		Apr 7, 2016
Sen. Murray, Patty [D-WA]	D · WA		Apr 7, 2016
Sen. Sanders, Bernard [I-VT]	I · VT		Apr 7, 2016
Sen. Udall, Tom [D-NM]	D · NM		Apr 7, 2016
Sen. Warren, Elizabeth [D-MA]	D · MA		Apr 7, 2016
Sen. Wyden, Ron [D-OR]	D · OR		Apr 7, 2016
Sen. Feinstein, Dianne [D-CA]	D · CA		Apr 27, 2016

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Apr 7, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HR 5023	Identical bill	Apr 21, 2016: Referred to the House Committee on Financial Services.

Summary (as of Apr 7, 2016)

Stopping Abuse and Fraud in Electronic Lending Act of 2016 or the SAFE Lending Act of 2016

This bill amends the Electronic Fund Transfer Act (EFTA) to declare that a remotely created check may only be issued by a person specifically designated in writing by the consumer to the insured depository institution at which the consumer maintains the account from which the check is drawn.

A remotely created check is a paper or electronic check that:

- is not created by the financial institution that holds the customer account from which the check is to be paid; and
- does not bear a signature applied, or purported to be applied, by the account holder.

A consumer may revoke authorization for remotely created checks at any time.

The bill prohibits issuance of any payment order in response to a consumer's exercise of federal consumer financial rights.

Any voluntary electronic fund transfer to repay a small-dollar consumer credit transaction shall be treated as preauthorized under the Truth in Lending Act (TILA).

The TILA is amended to require registration with the Consumer Financial Protection Bureau (CFPB) by any small-dollar lender that facilitates, brokers, arranges, or gathers applications for small-dollar consumer credit (of up to \$5,000, adjusted for inflation) extended pursuant to an open-end, non-open-end, or other CFPB-determined credit plan meeting specified criteria.

Small-dollar consumer credit transactions must comply with state law where the consumer resides.

The EFTA is amended to:

- declare unlawful overdraft fees charged on a general-use prepaid card; and
- authorize the CFPB to prohibit fees for declined transactions involving such a card.

The TILA is further amended to prohibit a person from certain activities, including distributing sensitive personal financial information, in connection with a small-dollar consumer credit transaction, if that person ("lead generator") does not itself grant the credit directly to the consumer.

The Government Accountability Office (GAO) shall study: (1) the availability of capital on Indian reservations, and (2) the impact on tribal economic opportunity and wealth of small-dollar consumer credit extensions to tribal members through Internet and non-Internet means.

Actions Timeline

- **Apr 7, 2016:** Introduced in Senate
- **Apr 7, 2016:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory remarks on measure: CR S1811-1812)