

any of the terms or items referred to in section 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b).

**SEC. 213. REQUIREMENTS RELATING TO LATE PAYMENT DEADLINES AND PENALTIES.**

Section 127 of the Truth in Lending Act (15 U.S.C. 1637), as amended by this Act, is amended by adding at the end the following:

“(1) REQUIREMENTS RELATING TO LATE PAYMENT DEADLINES AND PENALTIES.—

“(1) LATE PAYMENT DEADLINE AND POSTMARK DATE REQUIRED TO BE DISCLOSED.—In the case of a credit card account under an open end consumer credit plan under which a late fee or charge may be imposed due to the failure of the obligor to make payment on or before the due date for such payment, the periodic statement required under subsection (b) with respect to the account shall include, in a conspicuous location on the billing statement—

“(A) the date on which the payment is due or, if different, the date on which a late payment fee will be charged, together with the amount of the fee or charge to be imposed if payment is made after that date;

“(B) the date by which the payment must be postmarked, if paid by mail, in order to avoid the imposition of a late payment fee with respect to the payment; and

“(C) a statement that no late fee may be imposed in connection with a payment made by mail which was postmarked on or before the postmark date.

“(2) DISCLOSURE OF INCREASE IN INTEREST RATES FOR LATE PAYMENTS.—If 1 or more late payments under an open end consumer credit plan may result in an increase in the annual percentage rate the account, the statement required under subsection (b) with respect to the account shall include conspicuous notice of such fact, together with the applicable penalty annual percentage rate, in close proximity to the disclosure required in paragraph (1) of the date on which payment is due under the terms of the account.

“(3) REQUIREMENTS RELATING TO POSTMARK DATE.—

“(A) IN GENERAL.—The date included in a periodic statement pursuant to paragraph (1)(B) with regard to the postmark on a payment shall allow, in accordance with regulations prescribed by the Board under subparagraph (B), a reasonable time for the consumer to make the payment and a reasonable time for the delivery of the payment by the due date.

“(B) BOARD REGULATIONS.—The Board shall prescribe guidelines for determining a reasonable period of time for making a payment and delivery of a payment for purposes of subparagraph (A), after consultation with the Postmaster General and representatives of consumer and trade organizations.

“(4) PAYMENT AT LOCAL BRANCHES.—If the creditor, in the case of a credit card account referred to in paragraph (1), is a financial institution which maintains branches or offices at which payments on any such account are accepted from the obliger in person, the date on which the obliger makes a payment on the account at such branch or office shall be considered as the date on which the payment is made for purposes of determining whether a late fee or charge may be imposed due to the failure of the obligor to make payment on or before the due date for such payment, to the extent that such payment is made before the close of business of the branch or office on the business day immediately preceding the due date for such payment.”.

**TITLE III—RESPONSIBILITIES IN BANKRUPTCY**

**SEC. 311. AMENDMENTS TO THE BANKRUPTCY CODE.**

Section 523(a)(2)(C) of title 11, United States Code, is amended by adding at the end the following: “However, this subparagraph shall not apply for any portion of debt incurred under an open end credit plan, as defined in section 103 of the Truth in Lending Act, if the annual rate of interest charged with respect to the account was more than 20 percentage points above the Federal prime lending rate on the last day of month during which the interest was charged.”.

**TITLE IV—PROTECTION OF YOUNG CONSUMERS**

**SEC. 411. EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.**

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by inserting after paragraph (5), as added by this Act, the following:

“(6) APPLICATIONS FROM UNDERAGE CONSUMERS.—

“(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 21, unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

“(B) APPLICATION REQUIREMENTS.—An application to open a credit card account by an individual who has not attained the age of 21 as of the date of submission of the application shall require—

“(i) the signature of the parent, legal guardian, or spouse of the consumer, or any other individual having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21;

“(ii) submission by the consumer of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account; or

“(iii) proof by the consumer that the consumer has completed a credit counseling course of instruction by a nonprofit budget and credit counseling agency approved by the Board for such purpose.

“(C) MINIMUM REQUIREMENTS FOR COUNSELING AGENCIES.—To be approved by the Board under subparagraph (B)(iii), a credit counseling agency shall, at a minimum—

“(i) be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

“(I) is not employed by the agency; and

“(II) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

“(ii) if a fee is charged for counseling services, charge a reasonable fee, and provide services without regard to ability to pay the fee; and

“(iii) provide trained counselors who receive no commissions or bonuses based on referrals, and demonstrate adequate experience and background in providing credit counseling.”.

**SEC. 412. ENHANCED PENALTIES.**

Section 130(a)(2)(A) of the Truth in Lending Act (15 U.S.C. 1640 (a)(2)(A)(iii)) is amended by striking “or (iii) in the” and inserting the following:

“(iii) in the case of an individual action relating to an open end credit plan that is not secured by real property or a dwelling, twice

the amount of any finance charge in connection with the transaction, with a minimum of \$500 and a maximum of \$5,000 or such higher amount as may be appropriate in the case of an established pattern or practice of such failures; or

“(iv) in the”.

**SEC. 413. RESTRICTIONS ON CERTAIN AFFINITY CARDS.**

Section 127 of the Truth in Lending Act (15 U.S.C. 1637), as amended by this Act, is amended by adding at the end the following:

“(m) RESTRICTIONS ON ISSUANCE OF AFFINITY CARDS TO STUDENTS.—No credit card account under an open end credit plan may be established by an individual who has not attained the age of 21 as of the date of submission of the application pursuant to any agreement relating to affinity cards, as defined by the Board, between the creditor and an institution of higher education, as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), unless the requirements of section 127(c)(6) are met with respect to the obliger.”.

**AMENDMENTS SUBMITTED AND PROPOSED**

SA 28. Mr. KENNEDY proposed an amendment to the bill S. 256, to amend title 11 of the United States Code, and for other purposes.

SA 29. Mr. KENNEDY proposed an amendment to the bill S. 256, supra.

SA 30. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 31. Mr. DAYTON proposed an amendment to the bill S. 256, supra.

SA 32. Mr. CORZINE (for himself, Ms. MIRKULSKI, and Mr. LAUTENBERG) proposed an amendment to the bill S. 256, supra.

SA 33. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 34. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 35. Mr. NELSON, of Nebraska submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 36. Mr. KOHL submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 37. Mr. NELSON, of Florida (for himself, Mr. DURBIN, Mr. SCHUMER, and Mrs. CLINTON) proposed an amendment to the bill S. 256, supra.

SA 38. Mr. DURBIN proposed an amendment to the bill S. 256, supra.

SA 39. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 40. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 41. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

**TEXT OF AMENDMENTS**

SA 28. Mr. KENNEDY proposed an amendment to the bill S. 256, to amend