

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To suspend payments on certain consumer loans during the COVID–19
emergency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. BEATTY introduced the following bill; which was referred to the
Committee on _____

A BILL

To suspend payments on certain consumer loans during the
COVID–19 emergency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Relief for Consumers
5 During COVID–19 Act of 2021”.

6 **SEC. 2. SUSPENSION OF OTHER CONSUMER LOAN PAY-**
7 **MENTS.**

8 (a) IN GENERAL.—During the COVID–19 emer-
9 gency, a debt collector may not, with respect to a debt

1 of a consumer (other than debt related to a federally re-
2 lated mortgage loan)—

3 (1) capitalize unpaid interest;

4 (2) apply a higher interest rate triggered by the
5 nonpayment of a debt to the debt balance;

6 (3) charge a fee triggered by the nonpayment of
7 a debt;

8 (4) sue or threaten to sue for nonpayment of a
9 debt;

10 (5) continue litigation to collect a debt that was
11 initiated before the date of enactment of this section;

12 (6) submit or cause to be submitted a confes-
13 sion of judgment to any court;

14 (7) enforce a security interest through reposses-
15 sion, limitation of use, or foreclosure;

16 (8) take or threaten to take any action to en-
17 force collection, or any adverse action for non-
18 payment of a debt, or for nonappearance at any
19 hearing relating to a debt;

20 (9) commence or continue any action to cause
21 or to seek to cause the collection of a debt, including
22 pursuant to a court order issued before the end of
23 the 120-day period following the end of the COVID-
24 19 emergency, from wages, Federal benefits, or

1 other amounts due to a consumer by way of garnish-
2 ment, deduction, offset, or other seizure;

3 (10) cause or seek to cause the collection of a
4 debt, including pursuant to a court order issued be-
5 fore the end of the 120-day period following the end
6 of the COVID–19 emergency, by levying on funds
7 from a bank account or seizing any other assets of
8 a consumer;

9 (11) commence or continue an action to evict a
10 consumer from real or personal property; or

11 (12) disconnect or terminate service from utility
12 service, including electricity, natural gas, tele-
13 communications or broadband, water, or sewer.

14 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
15 tion may be construed to prohibit a consumer from volun-
16 tarily paying, in whole or in part, a debt.

17 (c) REPAYMENT PERIOD.—After the expiration of the
18 COVID–19 emergency, with respect to a debt described
19 under subsection (a), a debt collector—

20 (1) may not add to the debt balance any inter-
21 est or fee prohibited by subsection (a);

22 (2) shall, for credit with a defined term or pay-
23 ment period, extend the time period to repay the
24 debt balance by 1 payment period for each payment
25 that a consumer missed during the COVID–19

1 emergency, with the payments due in the same
2 amounts and at the same intervals as the pre-exist-
3 ing payment schedule;

4 (3) shall, for an open end credit plan (as de-
5 fined under section 103 of the Truth in Lending
6 Act) or other credit without a defined term, allow
7 the consumer to repay the debt balance in a manner
8 that does not exceed the amounts permitted by for-
9 mulas under section 170(c) of the Truth in Lending
10 Act and regulations promulgated thereunder; and

11 (4) shall, when the consumer notifies the debt
12 collector, offer reasonable and affordable repayment
13 plans, loan modifications, refinancing, options with a
14 reasonable time in which to repay the debt.

15 (d) COMMUNICATIONS IN CONNECTION WITH THE
16 COLLECTION OF A DEBT.—

17 (1) IN GENERAL.—During the COVID-19
18 emergency, without prior consent of a consumer
19 given directly to a debt collector during the COVID-
20 19 emergency, or the express permission of a court
21 of competent jurisdiction, a debt collector may only
22 communicate in writing in connection with the col-
23 lection of any debt (other than debt related to a fed-
24 erally related mortgage loan).

25 (2) REQUIRED DISCLOSURES.—

1 (A) IN GENERAL.—All written communica-
2 tions described under paragraph (1) shall in-
3 form the consumer that the communication is
4 for informational purposes and is not an at-
5 tempt to collect a debt.

6 (B) REQUIREMENTS.—The disclosure re-
7 quired under subparagraph (A) shall be made—

8 (i) in type or lettering not smaller
9 than 14-point bold type;

10 (ii) separate from any other disclo-
11 sure;

12 (iii) in a manner designed to ensure
13 that the recipient sees the disclosure clear-
14 ly;

15 (iv) in English and Spanish and in
16 any additional languages in which the debt
17 collector communicates, including the lan-
18 guage in which the loan was negotiated, to
19 the extent known by the debt collector; and

20 (v) may be provided by first-class mail
21 or electronically, if the borrower has other-
22 wise consented to electronic communication
23 with the debt collector and has not revoked
24 such consent.

1 (C) ORAL NOTIFICATION.—Any oral notifi-
2 cation shall be provided in the language the
3 debt collector otherwise uses to communicate
4 with the borrower.

5 (D) WRITTEN TRANSLATIONS.—In pro-
6 viding written notifications in languages other
7 than English in this section, a debt collector
8 may rely on written translations developed by
9 the Bureau of Consumer Financial Protection.

10 (e) VIOLATIONS.—

11 (1) IN GENERAL.—Any person who violates this
12 section shall—

13 (A) except as provided under subparagraph
14 (B), be subject to civil liability in accordance
15 with section 813 of the Fair Debt Collection
16 Practices Act, as if the person is a debt col-
17 lector for purposes of that section; and

18 (B) be liable to the consumer for an
19 amount 10 times the amounts described in such
20 section 813.

21 (2) PREDISPUTE ARBITRATION AGREEMENTS.—

22 Notwithstanding any other provision of law, no
23 predispute arbitration agreement or predispute joint-
24 action waiver shall be valid or enforceable with re-
25 spect to a dispute brought under this section, includ-

1 ing a dispute as to the applicability of this section,
2 which shall be determined under Federal law.

3 (f) TOLLING.—Except as provided in subsection
4 (g)(5), any applicable time limitations, including statutes
5 of limitations, related to a debt under Federal or State
6 law shall be tolled during the COVID–19 emergency.

7 (g) CLAIMS OF AFFECTED CREDITORS AND DEBT
8 COLLECTORS.—

9 (1) VALUATION OF PROPERTY.—With respect
10 to any action asserting a taking under the Fifth
11 Amendment of the Constitution of the United States
12 as a result of this section or seeking a declaratory
13 judgment regarding the constitutionality of this sec-
14 tion, the value of the property alleged to have been
15 taken without just compensation shall be evalu-
16 ated—

17 (A) with consideration of the likelihood of
18 full and timely payment of the obligation with-
19 out the actions taken pursuant to this section;
20 and

21 (B) without consideration of any assistance
22 provided directly or indirectly to the consumer
23 from other Federal, State, and local govern-
24 ment programs instituted or legislation enacted
25 in response to the COVID–19 emergency.

1 (2) SCOPE OF JUST COMPENSATION.—In an ac-
2 tion described in paragraph (1), any assistance or
3 benefit provided directly or indirectly to the person
4 from other Federal, State, and local government
5 programs instituted in or legislation enacted re-
6 sponse to the COVID–19 emergency, shall be
7 deemed to be compensation for the property taken,
8 even if such assistance or benefit is not specifically
9 provided as compensation for property taken by this
10 section.

11 (3) APPEALS.—Any appeal from an action
12 under this section shall be treated under section 158
13 of title 28, United States Code, as if it were an ap-
14 peal in a case under title 11, United States Code.

15 (4) REPOSE.—Any action asserting a taking
16 under the Fifth Amendment to the Constitution of
17 the United States as a result of this section shall be
18 brought within not later than 180 days after the end
19 of the COVID–19 emergency.

20 (5) SEVERABILITY.—If any provision of this
21 section or the application of such provision to any
22 person or circumstance is held to be invalid or un-
23 constitutional, the remainder of this section and the
24 application of the provisions of this section to any
25 person or circumstance shall not be affected thereby.

1 (h) DEFINITIONS.—In this section:

2 (1) CONSUMER.—The term “consumer” means
3 any individual obligated or allegedly obligated to pay
4 any debt.

5 (2) COVID–19 EMERGENCY.—The term
6 “COVID–19 emergency” means the period that be-
7 gins upon the date of the enactment of this Act and
8 ends on the date of the termination by the Federal
9 Emergency Management Agency of the emergency
10 declared on March 13, 2020, by the President under
11 the Robert T. Stafford Disaster Relief and Emer-
12 gency Assistance Act (42 U.S.C. 4121 et seq.) relat-
13 ing to the Coronavirus Disease 2019 (COVID–19)
14 pandemic.

15 (3) CREDITOR.—The term “creditor” means—

16 (A) any person who offers or extends cred-
17 it creating a debt or to whom a debt is owed
18 or other obligation for payment;

19 (B) any lessor of real or personal property;

20 or

21 (C) any provider of utility services.

22 (4) DEBT.—The term “debt”—

23 (A) means any past due obligation or al-
24 leged past due obligation that—

1 (i) was created before the COVID–19
2 emergency, whether or not such obligation
3 has been reduced to judgment; and

4 (ii) arises out of a transaction with a
5 consumer in which the money, property,
6 insurance or services which are the subject
7 of the transaction, are primarily for per-
8 sonal, family, or household purposes; and

9 (B) does not include a federally related
10 mortgage loan.

11 (5) DEBT COLLECTOR.—The term “debt col-
12 lector” means a creditor, and any person or entity
13 that engages in the collection of debt, including the
14 Federal Government and a State government, irre-
15 spective of whether the debt is allegedly owed to or
16 assigned to that person or to the entity.

17 (6) FEDERALLY RELATED MORTGAGE LOAN.—
18 The term “federally related mortgage loan” has the
19 meaning given that term under section 3 of the Real
20 Estate Settlement Procedures Act of 1974 (12
21 U.S.C. 2602).

22 **SEC. 3. CREDIT FACILITY FOR OTHER PURPOSES.**

23 (a) ESTABLISHMENT.—The Board of Governors of
24 the Federal Reserve System shall establish a facility that
25 the Board of Governors shall use to make payments to

1 covered financial institutions to compensate such institu-
2 tions for documented financial losses caused by the sus-
3 pension of payments required under section 2.

4 (b) COVERED FINANCIAL INSTITUTION DEFINED.—
5 In this section, the term “covered financial institution”
6 means the holder of a loan described under section 2.