AMENDMENT IN THE NATURE OF A SUBSTITUTE

TO H.R. ______

OFFERED BY MS. WATERS OF CALIFORNIA

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Comprehensive Debt Collection Improvement Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SMALL BUSINESS LENDING FAIRNESS ACT

Sec. 101. Short title.
Sec. 102. Obligor transactions.
Sec. 103. Enforcement of security interests.

TITLE II—FAIR DEBT COLLECTION PRACTICES FOR SERVICEMEMBERS ACT

Sec. 201. Short title.
Sec. 203. GAO study and report.

TITLE III—PRIVATE LOAN DISABILITY DISCHARGE ACT

Sec. 301. Short title.
Sec. 302. Protections for obligors and cosigners in case of death or total and permanent disability.

TITLE IV—CONSUMER PROTECTION FOR MEDICAL DEBT COLLECTIONS ACT

Sec. 401. Short title.
Sec. 403. Prohibition on consumer reporting agencies reporting certain medical debt.
Sec. 404. Requirements for furnishers of medical debt information.
TITLE V—ENDING DEBT COLLECTION HARASSMENT ACT

Sec. 501. Short title.
Sec. 502. Consumer protections relating to debt collection practices.

TITLE VI—STOP DEBT COLLECTION ABUSE ACT

Sec. 601. Short title.
Sec. 602. Definitions.
Sec. 603. Debt collection practices for debt collectors hired by Federal agencies.
Sec. 604. Unfair practices.
Sec. 605. GAO study and report.

TITLE VII—DEBT COLLECTION PRACTICES HARMONIZATION ACT

Sec. 701. Short title.
Sec. 702. Award of damages.
Sec. 703. Prohibition on the referral of emergency individual assistance debt.

TITLE VIII—NON-JUDICIAL FORECLOSURE DEBT COLLECTION CLARIFICATION ACT

Sec. 801. Short title.
Sec. 802. Enforcement of security interests.

TITLE IX—EFFECTIVE DATE

Sec. 901. Effective date.

1 TITTLE I—SMALL BUSINESS LENDING FAIRNESS ACT

2 SEC. 101. SHORT TITLE.

3 This title may be cited as the “Small Business Lending Fairness Act”.

4 SEC. 102. OBLIGOR TRANSACTIONS.

5 (a) IN GENERAL.—Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end the following:

6 “§140B. Unfair credit practices

7 “(a) IN GENERAL.—In connection with the extension of credit or creation of debt in or affecting commerce, as defined in section 4 of the Federal Trade Commission Act
(15 U.S.C. 44), including any advance of funds or sale or assignment of future income or receivables that may or may not be credit, no person may directly or indirectly take or receive from another person or seek to enforce an obligation that constitutes or contains a cognovit or confession of judgment (for purposes other than executory process in the State of Louisiana), warrant of attorney, or other waiver of the right to notice and the opportunity to be heard in the event of suit or process thereon.

“(b) EXEMPTION.—The exemptions described in section 104 shall not apply to this section.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end the following:

“(m) CREDITOR.—In this section, the term ‘creditor’ refers to any person charged with compliance that is not the obligor.”.

(2) The table of sections in chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end the following:

“140B. Unfair credit practices.”.

SEC. 103. ENFORCEMENT OF SECURITY INTERESTS.

Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end the following:
“(ff) The term ‘debt’ means any obligation of a person to pay to another person money—

“(1) regardless of whether such obligation is absolute or contingent;

“(2) that includes the right of the person providing the money to an equitable remedy for breach of performance if the breach gives rise to a right to payment; and

“(3) regardless of whether the obligation or right to an equitable remedy described in paragraph (2) has been reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, recourse, nonrecourse, secured, or unsecured.”.

TITLE II —FAIR DEBT COLLECTION PRACTICES FOR SERVICEMEMBERS ACT

SEC. 201. SHORT TITLE.

This title may be cited as the “Fair Debt Collection Practices for Servicemembers Act”.

SEC. 202. ENHANCED PROTECTION AGAINST DEBT COLLECTOR HARASSMENT OF SERVICEMEMBERS.

(a) COMMUNICATION IN CONNECTION WITH DEBT COLLECTION.—Section 805 of the Fair Debt Collection
Practices Act (15 U.S.C. 1692c) is amended by adding at the end the following:

“(e) COMMUNICATIONS CONCERNING SERVICEMEMBER DEBTS.—

“(1) DEFINITION.—In this subsection, the term ‘covered member’ means—

“(A) a covered member or a dependent as defined in section 987(i) of title 10, United States Code; and

“(B)(i) an individual who was separated, discharged, or released from duty described in such section 987(i)(1), but only during the 365-day period beginning on the date of separation, discharge, or release; or

“(ii) a person, with respect to an individual described in clause (i), described in subparagraph (A), (D), (E), or (I) of section 1072(2) of title 10, United States Code.

“(2) PROHIBITIONS.—A debt collector may not, in connection with the collection of any debt of a covered member—

“(A) threaten to have the covered member reduced in rank;

“(B) threaten to have the covered member’s security clearance revoked; or
“(C) threaten to have the covered member prosecuted under chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).”.

(b) UNFAIR PRACTICES.—Section 808 of the Fair Debt Collection Practices Act (15 U.S.C. 1692f) is amended by adding at the end the following:

“(9) The representation to any covered member (as defined under section 805(e)(1)) that failure to cooperate with a debt collector will result in—

“(A) a reduction in rank of the covered member;

“(B) a revocation of the covered member’s security clearance; or

“(C) prosecution under chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).”.

SEC. 203. GAO STUDY AND REPORT.

(a) STUDY.—The Comptroller General of the United States shall conduct a study on the impact of debt collection on covered members (as defined under section 805(e)(1) of the Fair Debt Collection Practices Act, as added by section 202), which shall—

(1) identify types of false, deceptive, misleading, unfair, abusive, and harassing debt collection prac-
ties experienced by covered members and make rec-
ommendations to eliminate these practices;
(2) identify collection practices of creditors and
debt collectors experienced by covered members;
(3) discuss the effect of these practices on mili-
tary readiness; and
(4) discuss any national security implications,
including the extent to which covered members with
security clearances would be impacted by uncollected
debt.

(b) REPORT.—Not later than one year after the date
of enactment of this Act, the Comptroller General of the
United States shall submit to Congress a report on the
completed study required under subsection (a).

TITLE III—PRIVATE LOAN
DISABILITY DISCHARGE ACT

SEC. 301. SHORT TITLE.
This title may be cited as the “Private Loan Dis-
ability Discharge Act of 2021”.

SEC. 302. PROTECTIONS FOR OBLIGORS AND COSIGNERS IN
CASE OF DEATH OR TOTAL AND PERMANENT
DISABILITY.
(a) IN GENERAL.—Section 140(g) of the Truth in
Lending Act (15 U.S.C. 1650(g)) is amended—
(1) in paragraph (2)—
(A) in the heading, by striking “IN CASE OF DEATH OF BORROWER”; 

(B) in subparagraph (A), by inserting after “of the death”, the following: “or total and permanent disability”; and 

(C) in subparagraph (C), by inserting after “of the death”, the following: “or total and permanent disability”; and 

(2) by adding at the end the following:

“(3) Discharge in case of death or total and permanent disability of borrower.—The holder of a private education loan shall, when notified of the death or total and permanent disability of a student obligor, discharge the liability of the student obligor on the loan and may not, after such notification—

“(A) attempt to collect on the outstanding liability of the student obligor; and 

“(B) in the case of total and permanent disability, monitor the disability status of the student obligor at any point after the date of discharge.

“(4) Private discharge in cases of certain discharge for death or disability.—The holder of a private education loan shall, when noti-
fied of the discharge of liability of a student obligor on a loan described under section 108(f)(5)(A) of the Internal Revenue Code of 1986, discharge any liability of the student obligor (and any cosigner) on any private education loan which the private education loan holder holds and may not, after such notification—

“(A) attempt to collect on the outstanding liability of the student obligor; and

“(B) in the case of total and permanent disability, monitor the disability status of the student obligor at any point after the date of discharge.

“(5) TOTAL AND PERMANENT DISABILITY DEFINED.—For the purposes of this subsection and with respect to an individual, the term ‘total and permanent disability’ means the individual is totally and permanently disabled, as such term is defined in section 685.102(b) of title 34, Code of Federal Regulations.”.

(b) RULEMAKING.—The Director of the Bureau of Consumer Financial Protection may issue rules to implement the amendments made by subsection (a) as the Director determines appropriate.
TITLE IV—CONSUMER PROTECTION FOR MEDICAL DEBT COLLECTIONS ACT

SEC. 401. SHORT TITLE.

This title may be cited as the “Consumer Protection for Medical Debt Collections Act”.

SEC. 402. AMENDMENTS TO THE FAIR DEBT COLLECTION PRACTICES ACT.

(a) DEFINITION.—Section 803 of the Fair Debt Collection Practices Act (15 U.S.C. 1692a) is amended by adding at the end the following:

“(9) The term ‘medical debt’ means a debt arising from the receipt of medical services, products, or devices.”.

(b) UNFAIR PRACTICES.—Section 808 of the Fair Debt Collection Practices Act (15 U.S.C. 1692f), as amended by section 202(b), is amended by adding at the end the following:

“(10) Engaging in activities to collect or attempting to collect a medical debt owed or due or asserted to be owed or due by a consumer, before the end of the 2-year period beginning on the date that the first payment with respect to such medical debt is due.”.
SEC. 403. PROHIBITION ON CONSUMER REPORTING AGENCIES REPORTING CERTAIN MEDICAL DEBT.

(a) DEFINITION.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following:

“(bb) MEDICAL DEBT.—The term ‘medical debt’ means a debt arising from the receipt of medical services, products, or devices.

“(cc) MEDICALLY NECESSARY PROCEDURE.—The term ‘medically necessary procedure’ means—

“(1) health care services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine; and

“(2) health care to prevent illness or detect illness at an early stage, when treatment is likely to work best (including preventive services such as pap tests, flu shots, and screening mammograms).”.

(b) IN GENERAL.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)) is amended by adding at the end the following new paragraphs:

“(9) Any information related to a debt arising from a medically necessary procedure.

“(10) Any information related to a medical debt, if the date on which such debt was placed for collection, charged to profit or loss, or subjected to
any similar action antedates the report by less than
365 calendar days.”.

SEC. 404. REQUIREMENTS FOR FURNISHERS OF MEDICAL
DEBT INFORMATION.

(a) ADDITIONAL NOTICE REQUIREMENTS FOR MEDICAL DEBT.—Section 623 of the Fair Credit Reporting
Act (15 U.S.C. 1681s-2) is amended by adding at the end
the following:

“(f) ADDITIONAL NOTICE REQUIREMENTS FOR MEDICAL DEBT.—Before furnishing information regarding a
medical debt of a consumer to a consumer reporting agen-
cy, the person furnishing the information shall send a
statement to the consumer that includes the following:

“(1) A notification that the medical debt—

“(A) may not be included on a consumer
report made by a consumer reporting agency
until the later of the date that is 365 days
after—

“(i) the date on which the person
sends the statement;

“(ii) with respect to the medical debt
of a borrower demonstrating hardship, a
date determined by the Director of the Bu-
reau; or
“(iii) the date described under section 605(a)(10); and

“(B) may not ever be included on a consumer report made by a consumer reporting agency, if the medical debt arises from a medically necessary procedure.

“(2) A notification that, if the debt is settled or paid by the consumer or an insurance company before the end of the period described under paragraph (1)(A), the debt may not be reported to a consumer reporting agency.

“(3) A notification that the consumer may—

“(A) communicate with an insurance company to determine coverage for the debt; or

“(B) apply for financial assistance.”.

(b) FURNISHING OF MEDICAL DEBT INFORMATION.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s-2), as amended by subsection (a), is further amended by adding at the end the following:

“(g) FURNISHING OF MEDICAL DEBT INFORMATION.—

“(1) PROHIBITION ON REPORTING DEBT RELATED TO MEDICALLY NECESSARY PROCEDURES.—

No person shall furnish any information to a con-
sumer reporting agency regarding a debt arising from a medically necessary procedure.

“(2) TREATMENT OF OTHER MEDICAL DEBT INFORMATION.—With respect to a medical debt not described under paragraph (1), no person shall furnish any information to a consumer reporting agency regarding such debt before the end of the 365-day period beginning on the later of—

“(A) the date on which the person sends the statement described under subsection (f) to the consumer;

“(B) with respect to the medical debt of a borrower demonstrating hardship, a date determined by the Director of the Bureau; or

“(C) the date described in section 605(a)(10).

“(3) TREATMENT OF SETTLED OR PAID MEDICAL DEBT.—With respect to a medical debt not described under paragraph (1), no person shall furnish any information to a consumer reporting agency regarding such debt if the debt is settled or paid by the consumer or an insurance company before the end of the 365-day period described under paragraph (2).
“(4) Borrower demonstrating hardship defined.—In this subsection, and with respect to a medical debt, the term ‘borrower demonstrating hardship’ means a borrower or a class of borrowers who, as determined by the Director of the Bureau, is facing or has experienced extenuating life circumstances or events that result in severe financial or personal barriers such that the borrower or class of borrowers does not have the capacity to repay the medical debt.”.

TITLE V—ENDING DEBT COLLECTION HARASSMENT ACT

SEC. 501. SHORT TITLE.

This title may be cited as the “Ending Debt Collection Harassment Act of 2021”.

SEC. 502. CONSUMER PROTECTIONS RELATING TO DEBT COLLECTION PRACTICES.

(a) Reports on Debt Collection Complaints and Enforcement Actions.—

(1) Semi-annual report.—Section 1016(c) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5496(c)) is amended—

(A) in paragraph (8), by striking “and” at the end;
(B) in paragraph (9), by striking the pe-
riod at the end and inserting a semicolon; and
(C) by adding at the end the following:
“(10) an analysis of the consumer complaints
received by the Bureau with respect to debt collec-
tion, including a State-by-State breakdown of such
complaints; and
“(11) a list of enforcement actions taken
against debt collectors during the preceding year.”.

(2) ANNUAL REPORT.—Section 815(a) of the
1692m(a)) is amended by adding at the end the fol-
lowing new sentence: “Each such report shall also
include an analysis of the impact of electronic com-
munications by debt collectors on consumer experi-
ences with debt collection, including a consideration
of consumer complaints about the use of electronic
communications in debt collection.”.

(b) LIMITATION ON DEBT COLLECTION RULES.—
Section 1022 of the Consumer Financial Protection Act
of 2010 (12 U.S.C. 5512) is amended by adding at the
end the following:
“(e) LIMITATION ON DEBT COLLECTION RULES.—
The Director may not issue any rule with respect to debt
collection that allows a debt collector to send unlimited
email and text messages to a consumer.”.

(c) PROTECTION OF CONSUMERS FROM UNLIMITED
TEXTS AND EMAILS USED IN DEBT COLLECTION.—Sec-
tion 806 of the Fair Debt Collection Practices Act (15
U.S.C. 1692d) is amended by adding at the end the fol-
lowing new paragraph:

“(7) Contacting the consumer electronically (in-
cluding by email or text message) without consent of
the consumer to communicate via that method, after
such consent has been withdrawn, or more fre-
quently than the consumer consents to be con-
tacted.”.

(d) ENSURING CONSUMERS RECEIVE NOTICE OF
DEBT COLLECTION PROTECTIONS.—Section 809(a) of the
Fair Debt Collection Practices Act (15 U.S.C. 1692g(a))
is amended in the matter preceding paragraph (1)—

(1) by striking “Within five days” and all that
follows through “debt,” and inserting the following:

“NOTICE OF DEBT; CONTENTS.—Within five days
after the initial communication with a consumer in
connection with the collection of any debt,”; and

(2) by striking “, unless the following informa-
tion is contained in the initial communication or the
consumer has paid the debt,”.
(e) IMPROVED LIMITATIONS ON DEBT COLLECTION

RULES.—Section 814(d) of the Fair Debt Collection Practices Act (15 U.S.C. 1692l(d)) is amended by adding at the end the following: “Such rules—

“(1) may not allow a debt collector to send unlimited electronic communications to a consumer;

“(2) shall require debt collectors to obtain consent directly from consumers before contacting them using a method other than by postal mail or by phone;

“(3) may not waive the requirements of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001 et seq.); and

“(4) shall allow consumers to opt out of any method of communication that the debt collector uses to communicate with consumers, including a method for which such consumer had given prior consent.”.

TITLE VI—STOP DEBT COLLECTION ABUSE ACT

SEC. 601. SHORT TITLE.

This title may be cited as the “Stop Debt Collection Abuse Act of 2021”.
SEC. 602. DEFINITIONS.

Section 803 of the Fair Debt Collection Practices Act (15 U.S.C. 1692a) is amended—

(1) in paragraph (4), by striking “facilitating collection of such debt for another” and inserting “collection of such debt”;

(2) by amending paragraph (5) to read as follows:

“(5) The term ‘debt’ means any obligation or alleged obligation of a consumer—

“(A) to pay money arising out of a transaction in which the money, property, insurance or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment;

“(B) to pay a loan, overpayment, fine, penalty, restitution, fee, or other money currently or originally owed to or guaranteed by a Federal or State government, including any courts or agencies; or

“(C) which is secured by real or personal property that is used or was obtained primarily for personal, family, or household purposes, where such property is subject to forfeiture or
repossession upon nonpayment of the obligation or alleged obligation.”; and

(3) in paragraph (6)—

(A) by redesignating subparagraphs (A) through (F) as clauses (i) through (vi), respectively;

(B) in clause (iii), as so redesignated, by inserting “(not including an independent contractor)” after “any State”;

(C) by amending clause (vi), as so redesignated, to read as follows:

“(vi) any person collecting or attempting to collect any debt owed or due or asserted to be owed or due another to the extent such activity—

“(I) is incidental to a bona fide fiduciary obligation or a bona fide escrow arrangement;

“(II) concerns a debt which was originated by such person;

“(III) concerns a debt which was not in default at the time it was obtained by such person; or

“(IV) concerns a debt obtained by such person as a secured party in a com-
mmercial credit transaction involving the creditor.”;

(D) by striking the first and second sentences and inserting the following:

“(6)(A) The term ‘debt collector’ means—

“(i) any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts;

“(ii) any person who regularly collects or attempts to collect, directly or indirectly, by the person’s own means or by hiring another debt collector, debts owed or due or asserted to be owed or due another or that have been obtained by assignment or transfer from another;

“(iii) any person who regularly collects debts currently or originally owed or allegedly owed to a Federal or State agency or court; or

“(iv) notwithstanding subparagraph (B)(vi), any creditor who in the process of collecting debts of such creditor, uses another name that would indicate that a third person is collecting or attempting to collect such debts.”; and
(E) in the fourth sentence, by striking “The term does not include” and inserting the following:

“(B) The term does not include”.

SEC. 603. DEBT COLLECTION PRACTICES FOR DEBT COLLECTORS HIRED BY FEDERAL AGENCIES.

(a) In general.—The Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended by inserting after section 812 (15 U.S.C. 1692j) the following:

“§ 812A. Debt collection practices for debt collectors hired by Federal agencies

“(a) Limitation on time to turn debt over to debt collector.—A Federal agency that is a creditor may sell or transfer a debt described in section 803(5)(B) to a debt collector not earlier than 90 days after the date on which the obligation or alleged obligation becomes delinquent or defaults.

“(b) Required notice.—

“(1) In general.—Before transferring or selling a debt described in section 803(5)(B) to a debt collector or contracting with a debt collector to collect such a debt, a Federal agency shall notify the consumer not fewer than 3 times that the Federal agency will take such action.
“(2) **Frequency of Notifications.**—The second and third notifications described in paragraph (1) shall be made not less than 30 days after the date on which the previous notification is made.”.

(b) **Clerical Amendment.**—The table of contents for the Fair Debt Collection Practices Act is amended by inserting after the item relating to section 812 the following:

“812A. Debt collection practices for debt collectors hired by Federal agencies.”.

**SEC. 604. UNFAIR PRACTICES.**

Section 808 of the Fair Debt Collection Practices Act (15 U.S.C. 1692f) is amended by striking paragraph (1) and inserting the following:

“(1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless—

“(A) such amount is expressly authorized by the agreement creating the debt or permitted by law; and

“(B) in the case of any amount charged by a debt collector collecting a debt described in section 803(5)(B), such amount is—

“(i) reasonable in relation to the actual costs of the collection;
“(ii) authorized by a contract between the debt collector and the Federal or State government; and

“(iii) not greater than 10 percent of the amount collected by the debt collector.”.

SEC. 605. GAO STUDY AND REPORT.

(a) STUDY.—The Comptroller General of the United States shall commence a study on the use of debt collectors by Federal, State, and local government agencies, including—

(1) the powers given to the debt collectors by Federal, State, and local government agencies;

(2) the contracting process that allows a Federal, State, or local government agency to award debt collection to a certain company, including the selection process;

(3) any fees charged to debtors in addition to principal and interest on the outstanding debt;

(4) how the fees described in paragraph (3) vary from State to State;

(5) consumer protection at the State level that offer recourse to those whom debts have been wrongfully attributed;
(6) the revenues received by debt collectors from Federal, State, and local government agencies;

(7) the amount of any revenue sharing agreements between debt collectors and Federal, State, and local government agencies;

(8) the difference in debt collection procedures across geographic regions, including the extent to which debt collectors pursue court judgments to collect debts;

(9) information regarding the amount collected by Federal, State, and local government agencies through debt collectors, including the total amount and the percentage of the amount referred to the debt collectors;

(10) the full cost of outsourcing collection to debt collectors;

(11) government agency oversight of debt collectors to ensure that the rights of a consumer (as defined in section 803(3) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(3))) are protected and that any debt relief and payment options legally available to consumers is effectively communicated and made available;

(12) the extent to which Federal, State, and local contracts with debt collectors reflect or omit ef-
fective measures to encourage debt collectors to
align their practices with public policy concerns (in-
cluding relief for consumers experiencing financial
hardship) beyond maximizing debt collection;

(13) the extent to which debt collectors induce
payment through use or threat of adverse govern-
ment actions, such as arrest warrants or suspension
of licenses or vehicle registration; and

(14) demographic data, including race and in-
come information, regarding the individuals subject
to private collection of debts owed to government en-
tities.

(b) REPORT.—Not later than one year after the date
of enactment of this Act, the Comptroller General of the
United States shall submit to Congress a report on the
completed study required under subsection (a).

TITLE VII—DEBT COLLECTION
PRACTICES HARMONIZATION
ACT

SEC. 701. SHORT TITLE.

This title may be cited as the “Debt Collection Prac-
tices Harmonization Act”.

SEC. 702. AWARD OF DAMAGES.

(a) ADDITIONAL DAMAGES INDEXED FOR INFLA-
TION.—
(1) IN GENERAL.—Section 813 of the Fair Debt Collection Practices Act (15 U.S.C. 1692k) is amended—

(A) in subsection (a)(2)—

(i) in subparagraph (A), by striking ‘‘; or’’ and inserting the following: ‘‘with respect to any one action taken by a debt collector in violation of this subchapter; or’’;

(ii) in subparagraph (B)(ii), by striking ‘‘or 1 per centum of the net worth of the debt collector; and’’ and inserting the following: ‘‘or 5 percent of the gross annual revenue of the debt collector; and’’;

(B) in subsection (b), by inserting ‘‘the maximum amount of statutory damages at the time of noncompliance,’’ before ‘‘the frequency’’ each place it appears; and

(C) by adding at the end the following:

‘‘(f) ADJUSTMENT FOR INFLATION.—

“(1) INITIAL ADJUSTMENT.—Not later than 90 days after the date of the enactment of this subsection, the Bureau shall provide a percentage increase (rounded to the nearest multiple of $100 or
$1,000, as applicable) in the amounts set forth in this section equal to the percentage by which—

“(A) the Consumer Price Index for All Urban Consumers (all items, United States city average) for the 12-month period ending on the June 30 preceding the date on which the percentage increase is provided, exceeds

“(B) the Consumer Price Index for the 12-month period preceding January 1, 1978.

“(2) ANNUAL ADJUSTMENTS.—With respect to any fiscal year beginning after the date of the increase provided under paragraph (1), the Bureau shall provide a percentage increase (rounded to the nearest multiple of $100 or $1,000, as applicable) in the amounts set forth in this section equal to the percentage by which—

“(A) the Consumer Price Index for All Urban Consumers (all items, United States city average) for the 12-month period ending on the June 30 preceding the beginning of the fiscal year for which the increase is made, exceeds

“(B) the Consumer Price Index for the 12-month period preceding the 12-month period described in subparagraph (A).”
(2) APPLICABILITY.—The increases made under section 813(f) of the Fair Debt Collection Practices Act, as added by paragraph (1)(C) of this subsection, shall apply with respect to failures to comply with a provision of such Act (15 U.S.C. 1601 et seq.) occurring on or after the date of enactment of this section.

(b) INJUNCTIVE RELIEF.—Section 813(d) of the Fair Debt Collection Practices Act (15 U.S.C. 1692k(d)) is amended by adding at the end the following: “In a civil action alleging a violation of this title, the court may award appropriate relief, including injunctive relief.”.

SEC. 703. PROHIBITION ON THE REFERRAL OF EMERGENCY INDIVIDUAL ASSISTANCE DEBT.

Chapter 3 of title 31, United States Code, is amended—

(1) in subchapter II, by adding at the end the following:

“§ 334. Prohibition on the referral of emergency individual assistance debt

“With respect to any assistance provided by the Federal Emergency Management Agency to an individual or household pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122 et seq.), if the Secretary of the Treasury seeks to recoup any
amount of such assistance because of an overpayment, the Secretary may not contract with any debt collector as defined in section 803(6) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(6)) or other private party to collect such amounts, unless the overpayment occurred because of fraud or deceit and the recipient of such assistance knew or should have known about such fraud or deceit.”; and

(2) in the table of contents for such chapter, by inserting after the item relating to section 333 the following:

“334. Prohibition on the referral of emergency individual assistance debt.”.

TITLE VIII—NON-JUDICIAL FORECLOSURE DEBT COLLECTION CLARIFICATION ACT

SEC. 801. SHORT TITLE.

This title may be cited as the “Non-Judicial Foreclosure Debt Collection Clarification Act”.

SEC. 802. ENFORCEMENT OF SECURITY INTERESTS.

Section 803(6) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(6)) is amended by striking “For the purpose of section 808(6), such term also includes any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests.”.
1 TITLE IX—EFFECTIVE DATE

2 SEC. 901. EFFECTIVE DATE.

3 This Act and the amendments made by this Act shall take effect on the date that is 180 days after the date of enactment of this Act.