116TH CONGRESS  
2D Session  
H. R. 6423  
To provide for a temporary debt collection moratorium during the COVID-19 emergency period, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES  
MARCH 31, 2020  
Mr. LAWSON of Florida introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide for a temporary debt collection moratorium during the COVID-19 emergency period, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEBT COLLECTION.

(a) Temporary Debt Collection Moratorium during the COVID-19 Emergency Period.—

(1) In general.—The Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended by inserting after section 812 the following:
§ 812A. Temporary debt collection moratorium during the COVID-19 emergency period

(a) DEFINITIONS.—In this section:

(1) CONSUMER.—The term ‘consumer’ means any natural person obligated or allegedly obligated to pay any debt.

(2) COVID-19 EMERGENCY PERIOD.—The term ‘COVID-19 emergency period’ means the period that begins upon the date of the enactment of this Act and ends upon the date of the termination by the Federal Emergency Management Administration of the emergency declared on March 13, 2020, by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 4121 et seq.) relating to the Coronavirus Disease 2019 (COVID-19) pandemic.

(3) CREDITOR.—The term ‘creditor’ means any person who offers or extends credit creating a debt or to whom a debt is owed or other obligation of payment.

(4) DEBT.—The term ‘debt’—

(A) means any past due obligation or alleged obligation of a consumer, non-profit organization, or small business to pay money—

(i) arising out of a transaction in which the money, property, insurance, or
services which are the subject of the trans-
action are primarily for personal, family,
business, non-profit, or household pur-
poses, whether or not such obligation has
been reduced to judgment; and

“(ii) owed to a local, State, or Federal
government; and

“(B) does not include federally related
mortgages (as defined under section 3 of the
Real Estate Settlement Procedures Act of
1974) unless a deficiency judgment has been
made with respect to such federally related
mortgage.

“(5) DEBT COLLECTOR.—The term ‘debt col-
lector’ includes a creditor and any person or entity
that engages in the collection of debt (including the
Federal Government or a State government) whether
or not the debt is allegedly owed to or assigned to
that person or entity.

“(6) DEPOSITORY INSTITUTION.—The term ‘de-
pository institution’—

“(A) has the meaning given that term
under section 3 of the Federal Deposit Insur-
ance Act; and
“(B) means a Federal or State credit union (as such terms are defined, respectively, under section 101 of the Federal Credit Union Act).

“(7) NON-PROFIT ORGANIZATION.—The term ‘non-profit organization’ means an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under subsection (a) of such section.

“(8) SMALL BUSINESS.—The term ‘small business’ has the meaning given the term ‘small business concern’ under section 3 of the Small Business Act (15 U.S.C. 632).

“(b) PROHIBITIONS.—Notwithstanding any other provision of law, during COVID-19 emergency period and the 120-day period immediately following, a debt collector is prohibited from—

“(1) capitalizing or adding extra interest or fees triggered by the non-payment of an obligation by a consumer, small business, or non-profit organization to the balance of an account;

“(2) suing or threatening to sue a consumer, small business, or non-profit for a past-due debt;

“(3) continuing litigation initiated before the date of enactment of this section to collect a debt
from a consumer, small business, or non-profit organ-
ization;

“(4) enforcing a security interest, including
through repossession or foreclosure, against a con-
sumer, small business, or non-profit organization;

“(5) reporting a past due debt of a consumer,
small business, or non-profit organization to a con-
sumer reporting agency;

“(6) taking or threatening to take any action to
enforce collection, or any adverse action against a
consumer, small business, or non-profit organization
for non-payment or for non-appearance at any hear-
ings related to a debt;

“(7) except with respect to enforcing an order
for child support or spousal support, initiating or
continuing any action to cause or to seek to cause
the collection of a debt from wages, Federal benefits,
or other amounts due to a consumer, small business,
or non-profit organization, by way of garnishment,
deduction, offset, or other seizure, or to cause or
seek to cause the collection of a debt by seizing
funds from a bank account or any other assets held
by such consumer, small business, or non-profit or-
ganization;
“(8) in the case of action or collection described under paragraph (7) that was initiated prior to the beginning of the date of such disaster or emergency, failing to suspend the action or collection until 120 days after the end of the COVID-19 emergency period;

“(9) upon the termination of the incident period for such disaster or emergency, failing to extend the time period to pay an obligation by one payment period for each payment that a consumer, small business, or non-profit organization missed during the incident period, with the payments due in the same amounts and at the same intervals as the pre-existing payment schedule of the consumer, small business, or non-profit organization (as applicable) or, if the debt has no payment periods, allow the consumer, small business, or non-profit a reasonable time in which to repay the debt in affordable payments;

“(10) disconnecting a consumer, small business, or non-profit organization from a utility prepaid or post-paid electricity, natural gas, telecommunications, broadband, water, or sewer service; or

“(11) exercising a right to set off provision contained in any consumer, small business, or non-prof-
it organization account agreement with a depository
institution.

“(c) VIOLATION.—Any person who violates a provi-
sion of this section shall—

“(1) be treated as a debt collector for purposes
of section 813; and

“(2) be liable to the consumer, small business,
or non-profit organization an amount equal to 10
times the damages allowed under section 813 for
each such violation.”.

(2) TABLE OF CONTENTS AMENDMENT.—The
table of contents at the beginning of the Fair Debt
Collection Practices Act (15 U.S.C. 1692 et seq.) is
amended by inserting after the item relating to sec-
tion 812 the following new item:

“812A. Temporary debt collection moratorium during the COVID-19 emergency
period.”.

(b) CONFESSIONS OF JUDGMENT PROHIBITION.—

(1) IN GENERAL.—Chapter 2 of the Truth in
Lending Act (15 U.S.C. 1631 et seq.) is amended—

(A) by adding at the end the following:

“§ 140B. Confessions of judgment prohibition

“(a) IN GENERAL.—During a period described under
section 812A(b) of the Fair Debt Collection Practices Act,
no person may directly or indirectly take or receive from
another person or seek to enforce an obligation that con-
stitutes 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 exemption in section 104(1) shall not apply to this section.

“(c) DEBT DEFINED.—In this section, the term ‘debt’ means any obligation of a person to pay to another person money—

“(1) regardless of whether the obligation is absolute or contingent, if the understanding between the parties is that any part of the money shall be or may be returned;

“(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 or is fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.”; and

(B) in the table of contents for such chapter, by adding at the end the following:

“140B. Confessions of judgment prohibition.”.
(2) CONFORMING AMENDMENT.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended by adding at the end the following: “For purposes of this section, the term ‘creditor’ refers to any person charged with compliance.”.