[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. ______

To amend the Truth in Lending Act to prohibit predispute arbitration agreements that force arbitration of disputes arising from private education loans, and for other purposes

IN THE HOUSE OF REPRESENTATIVES

Ms. Deán introduced the following bill; which was referred to the Committee on

A BILL

To amend the Truth in Lending Act to prohibit predispute arbitration agreements that force arbitration of disputes arising from private education loans, 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.

This Act may be cited as the “Ensuring Fair Legal

Recourse for Private Student Loan Borrowers Act”.

September 4, 2019 (2:29 p.m.)
SEC. 2. ARBITRATION OF PRIVATE EDUCATION LOAN DISPUTES.

(a) In General.—Section 140 of the Truth in Lending Act (15 U.S.C. 1650) is amended by adding at the end the following:

“(h) Arbitration of Private Education Loan Disputes.—

“(1) No Validity or Enforceability.—No predispute arbitration agreement or predispute joint-action waiver shall be valid or enforceable with respect to a dispute relating to a private education loan.

“(2) Definitions.—In this subsection:

“(A) Predispute Arbitration Agreement.—The term ‘predispute arbitration agreement’ means an agreement to arbitrate a dispute that has not yet arisen at the time of the making of the agreement.

“(B) Predispute Joint-Action Waiver.—The term ‘predispute joint-action waiver’ means an agreement, whether or not part of a predispute arbitration agreement, that would prohibit, or waive the right of, one of the parties to the agreement to participate in a joint, class, or collective action in a judicial, arbitral, administrative, or other forum, concerning a
dispute that has not yet arisen at the time of
the making of the agreement.”.

(b) EFFECTIVE DATE.—The amendment made by
subsection (a) shall take effect on the date of enactment
of this Act and shall apply with respect to any dispute
or claim that arises or accrues on or after such date.