

119TH CONGRESS
1ST SESSION

H. R. 1658

To amend the Truth in Lending Act to address certain issues relating to the extension of consumer credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2025

Ms. BONAMICI (for herself, Ms. JAYAPAL, and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to address certain issues relating to the extension of consumer credit, 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 “Stopping Abuse and
5 Fraud in Electronic Lending Act of 2025” or the “SAFE
6 Lending Act of 2025”.

7 **SEC. 2. CONSUMER CONTROL OVER BANK ACCOUNTS.**

8 (a) PROHIBITING UNAUTHORIZED REMOTELY CRE-
9 ATED CHECKS.—Section 905 of the Electronic Fund

1 Transfer Act (15 U.S.C. 1693c) is amended by adding at
2 the end the following:

3 “(d) LIMITATIONS ON REMOTELY CREATED
4 CHECKS.—

5 “(1) DEFINITION.—In this subsection—

6 “(A) the term ‘Federal consumer financial
7 law’ has the meaning given the term in section
8 1002 of the Consumer Financial Protection Act
9 of 2010 (12 U.S.C. 5481); and

10 “(B) the term ‘remotely created check’
11 means a check, including a paper or electronic
12 check and any other payment order that the
13 Bureau, by rule, determines is appropriately
14 covered under this subsection, that—

15 “(i) is not created by the financial in-
16 stitution that holds the customer account
17 from which the check is to be paid; and

18 “(ii) does not bear a signature ap-
19 plied, or purported to be applied, by the
20 person from whose account the check is to
21 be paid.

22 “(2) LIMITATIONS.—Subject to the limitations
23 in paragraph (3) and any additional limitations that
24 the Bureau may establish by rule, a remotely created
25 check may only be issued by a person designated in

1 writing by a consumer, with that written designation
 2 specifically provided by the consumer to the insured
 3 depository institution at which the consumer main-
 4 tains the account from which the check is to be
 5 drawn.

6 “(3) ADDITIONAL LIMITATIONS.—

7 “(A) IN GENERAL.—A designation pro-
 8 vided by a consumer under paragraph (2) may
 9 be revoked at any time by the consumer.

10 “(B) CONSUMER FINANCIAL PROTECTION
 11 LAWS.—No payment order, including a re-
 12 motely created check, may be issued by any per-
 13 son in response to the exercise of, or attempt to
 14 exercise, any right by a consumer under—

15 “(i) any Federal consumer financial
 16 law; or

17 “(ii) any other provision of any law or
 18 regulation within the jurisdiction of the
 19 Bureau.”.

20 (b) CONSUMER PROTECTIONS FOR CERTAIN ONE-
 21 TIME ELECTRONIC FUND TRANSFERS.—Section 913 of
 22 the Electronic Fund Transfer Act (15 U.S.C. 1693k) is
 23 amended—

24 (1) in the matter preceding paragraph (1), by
 25 inserting “(a) IN GENERAL.—” before “No person”;

1 (2) in subsection (a)(1), as so designated, by
 2 striking “preauthorized electronic fund transfers”
 3 and inserting “an electronic fund transfer”; and
 4 (3) by adding at the end the following:

5 “(b) TREATMENT FOR ELECTRONIC FUND TRANS-
 6 FERS IN CREDIT EXTENSIONS.—If a consumer voluntarily
 7 agrees to repay an extension of a small-dollar consumer
 8 credit transaction, as defined in section 110(a) of the
 9 Truth in Lending Act, by means of an electronic fund
 10 transfer, the electronic fund transfer shall be treated as
 11 a preauthorized electronic fund transfer subject to the pro-
 12 tections of this title.”.

13 **SEC. 3. TRANSPARENCY AND CONSUMER EMPOWERMENT**
 14 **IN SMALL-DOLLAR LENDING.**

15 (a) SMALL-DOLLAR CONSUMER CREDIT TRANS-
 16 ACTIONS.—

17 (1) IN GENERAL.—The Truth in Lending Act
 18 (15 U.S.C. 1601 et seq.) is amended—

19 (A) by inserting after section 109 (15
 20 U.S.C. 1608) the following:

21 **“SEC. 110. REGISTRATION REQUIREMENT FOR SMALL-DOL-**
 22 **LAR CONSUMER CREDIT TRANSACTION**
 23 **LENDERS.**

24 “(a) DEFINITION.—In this section, the term ‘small-
 25 dollar consumer credit transaction’—

1 “(1) means any transaction that extends credit
2 that is—

3 “(A) made to a consumer in an amount
4 that is not more than—

5 “(i) \$5,000; or

6 “(ii) such greater amount as the Bu-
7 reau may, by rule, determine to reflect
8 changes in the Consumer Price Index for
9 all urban consumers published by the De-
10 partment of Labor; and

11 “(B) extended pursuant to an agreement
12 that is—

13 “(i)(I) other than an open end credit
14 plan; and

15 “(II) payable in 1 or more install-
16 ments of less than 12 months;

17 “(ii) an open end credit plan in which
18 each advance is fully repayable within a
19 defined time or in connection with a de-
20 fined event, or both; or

21 “(iii) any other plan as the Bureau
22 determines, by rule; and

23 “(2) includes any action that facilitates, bro-
24 kers, arranges, or gathers applications for a trans-
25 action described in paragraph (1).

1 “(b) REGISTRATION REQUIREMENT.—A person shall
2 register with the Bureau before extending credit to a con-
3 sumer under a small-dollar consumer credit transaction.”;
4 and

5 (B) in section 173 (15 U.S.C. 1666j), by
6 adding at the end the following:

7 “(d) SMALL-DOLLAR CONSUMER CREDIT TRANS-
8 ACTIONS.—Notwithstanding any other provision of this
9 title, any small-dollar consumer credit transaction, as de-
10 fined in section 110(a), shall be made in compliance with
11 the laws of the State in which the consumer to which cred-
12 it in the transaction is extended resides with respect to
13 annual percentage rates, interest, fees, charges, and such
14 other similar or related matters as the Bureau may deter-
15 mine, by rule, if the small-dollar consumer credit trans-
16 action is—

17 “(1) made—

18 “(A) over the internet;

19 “(B) by telephone;

20 “(C) by facsimile;

21 “(D) by mail;

22 “(E) by electronic mail; or

23 “(F) through another electronic commu-
24 nication; or

25 “(2) conducted by a national bank.”.

1 (2) TECHNICAL AND CONFORMING AMEND-
 2 MENT.—The table of sections for chapter 1 of the
 3 Truth in Lending Act (15 U.S.C. 1601 et seq.) is
 4 amended by inserting after the item relating to sec-
 5 tion 109 the following:

“110. Registration requirement for small-dollar consumer credit transaction
 lenders.”.

6 (b) PROHIBITION ON CERTAIN FEES.—Section 915
 7 of the Electronic Fund Transfer Act (15 U.S.C. 1693l–
 8 1) is amended—

9 (1) by redesignating subsection (d) as sub-
 10 section (e); and

11 (2) by inserting after subsection (c) the fol-
 12 lowing:

13 “(d) ADDITIONAL FEES PROHIBITED.—

14 “(1) DEFINITION.—In this subsection, the term
 15 ‘prepaid account’ has the meaning given the term in
 16 section 1005.2 of title 12, Code of Federal Regula-
 17 tions, or any successor regulation.

18 “(2) PROHIBITION.—With respect to the use of
 19 a prepaid account by a consumer—

20 “(A) it shall be unlawful for any person to
 21 charge the consumer a fee for an overdraft with
 22 respect to the prepaid account;

23 “(B) any transaction for an amount that
 24 exceeds the account balance of the prepaid ac-

count may be declined by the financial institution holding the prepaid account; and

“(C) the Bureau may, by rule, prohibit any person from charging a fee with respect to the prepaid account (other than a fee described in subparagraph (a)) so that the Bureau may—

“(i) prevent unfair, deceptive, or abusive practices; and

“(ii) promote the ability of the consumer to understand and compare the costs of prepaid accounts.”.

SEC. 4. RESTRICTIONS ON LEAD GENERATION IN SMALL-DOLLAR CONSUMER CREDIT TRANSACTIONS.

(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:

“§ 140B. Restrictions on lead generation in small-dollar consumer credit transactions

“(a) DEFINITIONS.—In this section—

“(1) the terms ‘Internet access service’ and ‘Internet information location tool’ have the meanings given those terms, respectively, in section 231(e) of the Communications Act of 1934 (47 U.S.C. 231(e));

1 “(2) the term ‘sensitive personal financial infor-
2 mation’ means a social security number, financial
3 account number, bank routing number, bank ac-
4 count number, or security or access code that is im-
5 mediately necessary to permit access to the financial
6 account of an individual; and

7 “(3) the term ‘small-dollar consumer credit
8 transaction’ has the meaning given the term in sec-
9 tion 110(a).

10 “(b) IDENTIFICATION INFORMATION.—Any person
11 facilitating, brokering, arranging for, or gathering applica-
12 tions for the distribution of sensitive personal financial in-
13 formation in connection with a small-dollar consumer
14 credit transaction shall prominently disclose information
15 by which the person may be contacted or identified, includ-
16 ing for service of process and for identification of the reg-
17 istrant of any domain name registered or used.

18 “(c) PROHIBITION ON LEAD GENERATION IN SMALL-
19 DOLLAR CONSUMER CREDIT TRANSACTIONS.—No person
20 may facilitate, broker, arrange for, or gather applications
21 for the distribution of sensitive personal financial informa-
22 tion in connection with a small-dollar consumer credit
23 transaction unless the person is directly providing the
24 small-dollar consumer credit to a consumer.

25 “(d) RULE OF CONSTRUCTION.—

1 “(1) IN GENERAL.—Nothing in this section
2 may be construed to limit the authority of the Bu-
3 reau to further restrict activities covered by this sec-
4 tion.

5 “(2) CLARIFICATION.—For the purposes of this
6 section, it shall not be considered facilitating,
7 brokering, arranging for, or gathering applications
8 for the distribution of sensitive personal financial in-
9 formation in connection with a small-dollar con-
10 sumer credit transaction to be engaged solely in one
11 of the following activities:

12 “(A) The provision of a telecommuni-
13 cations service, an Internet access service, or an
14 Internet information location tool.

15 “(B) The transmission, storage, retrieval,
16 hosting, formatting, or translation (or any com-
17 bination thereof) of a communication, without
18 selection or alteration of the content of the
19 communication, except the deletion of a par-
20 ticular communication or material made by an-
21 other person in a manner that is consistent
22 with section 230(c) of the Communications Act
23 of 1934 (47 U.S.C. 230(c)).”.

24 (b) TECHNICAL AND CONFORMING AMENDMENT.—
25 The table of sections for chapter 2 of the Truth in Lend-

1 ing Act (15 U.S.C. 1631 et seq.) is amended by adding
2 at the end the following:

“140B. Restrictions on lead generation in small-dollar consumer credit transactions.”.

3 **SEC. 5. STUDIES.**

4 (a) **DEFINITIONS.**—In this section—

5 (1) the term “appropriate committees of Con-
6 gress” means—

7 (A) the Committee on Banking, Housing,
8 and Urban Affairs of the Senate;

9 (B) the Committee on Indian Affairs of the
10 Senate;

11 (C) the Committee on Financial Services of
12 the House of Representatives; and

13 (D) the Committee on Natural Resources
14 of the House of Representatives; and

15 (2) the term “Indian Tribe” has the meaning
16 given the term in section 4 of the Indian Self-Deter-
17 mination and Education Assistance Act (25 U.S.C.
18 5304).

19 (b) **STUDY REQUIRED.**—Not later than 180 days
20 after the date of enactment of this Act, the Comptroller
21 General of the United States shall conduct a study regard-
22 ing—

23 (1) the availability of capital on reservations of
24 Indian Tribes; and

1 (2) the impact that small-dollar consumer credit
2 extended through internet and non-internet means
3 to members of Indian Tribes has had on economic
4 opportunity and wealth for members of Indian
5 Tribes.

6 (c) CONSULTATION.—In conducting the study re-
7 quired under subsection (b), the Comptroller General of
8 the United States shall consult, as appropriate, with—

9 (1) the Bureau of Consumer Financial Protec-
10 tion;

11 (2) the Board of Governors of the Federal Re-
12 serve System;

13 (3) the Director of the Bureau of Indian Af-
14 fairs;

15 (4) federally recognized Indian Tribes; and

16 (5) community development financial institu-
17 tions operating in Indian lands.

18 (d) CONGRESSIONAL CONSIDERATION.—The Comp-
19 troller General of the United States shall submit to the
20 appropriate committees of Congress the study required
21 under subsection (b).

22 **SEC. 6. RULEMAKING.**

23 Not later than 1 year after the date of enactment
24 of this Act, the Director of the Bureau of Consumer Fi-
25 nancial Protection shall adopt any final rules that are nec-

1 essary to implement the provisions of this Act and the
2 amendments made by this Act.

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