

One Hundred Fourth Congress  
of the  
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Wednesday,  
the fourth day of January, one thousand nine hundred and ninety-five*

An Act

To provide a moratorium on certain class action lawsuits relating to the Truth  
in Lending Act.

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Truth in Lending Class Action  
Relief Act of 1995”.

**SEC. 2. MORATORIUM.**

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

“(i) CLASS ACTION MORATORIUM.—

“(1) IN GENERAL.—During the period beginning on the date  
of the enactment of the Truth in Lending Class Action Relief  
Act of 1995 and ending on October 1, 1995, no court may  
enter any order certifying any class in any action under this  
title—

“(A) which is brought in connection with any credit  
transaction not under an open end credit plan which is  
secured by a first lien on real property or a dwelling and  
constitutes a refinancing or consolidation of an existing  
extension of credit; and

“(B) which is based on the alleged failure of a creditor—

“(i) to include a charge actually incurred (in  
connection with the transaction) in the finance charge  
disclosed pursuant to section 128;

“(ii) to properly make any other disclosure required  
under section 128 as a result of the failure described  
in clause (i); or

“(iii) to provide proper notice of rescission rights  
under section 125(a) due to the selection by the creditor  
of the incorrect form from among the model forms  
prescribed by the Board or from among forms based  
on such model forms.

“(2) EXCEPTIONS FOR CERTAIN ALLEGED VIOLATIONS.—Para-  
graph (1) shall not apply with respect to any action—

“(A) described in clause (i) or (ii) of paragraph (1)(B),  
if the amount disclosed as the finance charge results in  
an annual percentage rate that exceeds the tolerance pro-  
vided in section 107(c); or

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“(B) described in paragraph (1)(B)(iii), if—

“(i) no notice relating to rescission rights under section 125(a) was provided in any form; or

“(ii) proper notice was not provided for any reason other than the reason described in such paragraph.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*