

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3891

To amend the Fair Debt Collection Practices Act to prohibit creditors from taking action that is adverse to the interests of a consumer with respect to certain payments that are due in or shortly after the period of a disruption of the mail resulting from a national emergency declared under the National Emergencies Act.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2002

Mr. SHERMAN (for himself, Mr. MCHUGH, Mrs. MALONEY of New York, Mr. MASCARA, Mr. FRANK, Mr. HONDA, and Mr. FALEOMAVAEGA) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Fair Debt Collection Practices Act to prohibit creditors from taking action that is adverse to the interests of a consumer with respect to certain payments that are due in or shortly after the period of a disruption of the mail resulting from a national emergency declared under the National Emergencies Act.

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 “Bill Payment Grace  
5 Period Act of 2001”.

1 **SEC. 2. EXTENSION OF PERIOD FOR MAKING CERTAIN PAY-**  
2 **MENTS DUE TO A NATIONAL EMERGENCY.**

3 (a) IN GENERAL.—The Fair Debt Collection Prac-  
4 tices Act (15 U.S.C. 1692 et seq.) is amended by redesignig-  
5 nating sections 813 through 818 in order as sections 814  
6 through 819, and by inserting after section 812 the fol-  
7 lowing:

8 **“§ 813. Extension of period for making certain pay-**  
9 **ments due to national emergency**

10 “(a) The Secretary of the Treasury may designate  
11 a grace period under this section for the making of pay-  
12 ments of debts by mail from or to any location within an  
13 area in which there occurs a disruption of the mail—

14 “(1) in the period of a national emergency de-  
15 clared under the National Emergencies Act (50  
16 U.S.C. 1601 et seq.); and

17 “(2) as a result of the circumstances that re-  
18 sulted in such declaration.

19 “(b) In designating a grace period under this section,  
20 the Secretary shall determine, in consultation with the  
21 Postmaster General, and specify—

22 “(1) the geographic area in which occurred the  
23 disruption of the mail for which the grace period is  
24 designated; and

25 “(2) the period of time during which such dis-  
26 ruption of the mail occurred.

1 “(c) A grace period under this section—

2 “(1) shall be comprised of a period of consecu-  
3 tive days designated by the Secretary;

4 “(2) shall begin upon the first day of the period  
5 of the disruption of the mail for which it is des-  
6 ignated, as such period is specified under subsection  
7 (b)(2); and

8 “(3) except as provided in subsection (d), shall  
9 end not later than 7 days after the end of such pe-  
10 riod of the disruption of the mail.

11 “(d) The Secretary—

12 “(1) may designate a grace period under this  
13 section with respect each disruption of the mail oc-  
14 ccurring in the same national emergency period;

15 “(2) may extend the duration of a grace period  
16 under this section by up to 7 days, by publishing no-  
17 tice of such extension before the end of the grace pe-  
18 riod; and

19 “(3) may issue more than one extension under  
20 paragraph (2) for the same grace period.

21 “(e) A creditor or debt collector shall not—

22 “(1) impose any late fee or additional financing  
23 fee in connection with an affected mail payment by  
24 a consumer that is received after its due date;

1           “(2) provide to a credit reporting agency (as  
2           that term is defined in section 603) any information  
3           with respect to such payment that is adverse to the  
4           interests of the consumer or would adversely affect  
5           the credit standing of the consumer; or

6           “(3) take any other action that is adverse to  
7           the interests of the consumer as a consequence of  
8           the failure of the consumer to make such payment  
9           in a timely manner.

10          “(f) This section shall not apply to any payment by  
11          mail made by a consumer on a debt to a creditor if, before  
12          the disruption of the mail with respect to which a grace  
13          period is designated under this section—

14                 “(1) the creditor or its debt collector gave the  
15                 consumer, by mail, telephone, or otherwise, notice  
16                 regarding alternative payment options that are avail-  
17                 able to such consumer without any fee or other  
18                 charge; and

19                 “(2) the consumer, with or without fee or  
20                 charge, agreed to use an alternative payment option,  
21                 or actually made one or more payments using an al-  
22                 ternative payment option, within the 6-month period  
23                 preceding the due date of the payment made by  
24                 mail.

1       “(g) For the purposes of this section, evidence in the  
2 form of business records indicating that notice regarding  
3 alternative payment options was given before the date re-  
4 quired by subsection (f) shall establish a conclusive pre-  
5 sumption that such notice had been received by the con-  
6 sumer by such date.

7       “(h) In this section:

8               “(1) The term ‘affected mail payment’ means  
9 any payment by mail of the full amount due on a  
10 debt owed by a consumer—

11                       “(A) for which the due date occurs—

12                               “(i) in the period of a disruption of  
13 the mail with respect to which a grace pe-  
14 riod is designated under this section; or

15                               “(ii) within seven calendar days fol-  
16 lowing the end of such disruption of the  
17 mail;

18                       “(B) that is sent from, or addressed to, a  
19 location that is within the area in which the dis-  
20 ruption of the mail occurred, as such area is  
21 specified under subsection (b)(1) for that grace  
22 period;

23                       “(C) that is postmarked by not later than  
24 the expiration of the grace period; and

25                       “(D) that is less than \$10,000.

1           “(2) The term ‘alternative payment option’  
2 means any electronic, Internet-based, telephone au-  
3 thorized, or other means of making a payment other  
4 than by mail.

5           “(3) The term ‘due date’ means the first date  
6 upon which a creditor or its debt collector may im-  
7 pose a late fee or other penalty for a failure of a  
8 consumer to make a periodic payment that is due on  
9 a debt.

10           “(4) The term ‘disruption of the mail’ means  
11 any disruption in the pick-up, processing, transpor-  
12 tation, or delivery of the mail of the United States.”.

13           (b) CONFORMING AND CLERICAL AMENDMENTS.—  
14 The Fair Debt Collection Practices Act (15 U.S.C. 1601  
15 et seq.) is further amended—

16           (1) in the table of sections preceding section  
17 801 by striking the items relating to sections 813  
18 through 818 and inserting the following:

“813. Extension of period for making certain payments due to national emer-  
gency.

“814. Civil liability.

“815. Administrative enforcement.

“816. Reports to Congress by the Commission.

“817. Relation to State laws.

“818. Exemption for State regulation.

“819. Effective date.”;

19           (2) in section 812(b) by striking “section 813”  
20 and inserting “section 814”; and

1           (3) in section 816 (as redesignated by this Act)  
2           by striking “section 814” each place it appears and  
3           inserting “section 815”.

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