(f) Central Valley project, Delta Division, Montezuma Hills unit in southern Solano County, California.

(g) Gallup project in McKinley, Valencia, and San Juan Counties in New Mexico.

(h) Modification of the Seminoe Dam, Kendrick project, Wyoming.

(i) Butte Valley division, Klamath project in the Klamath River Basin, Klamath County, Oregon, and Siskiyou County, California.

(j) Billings Municipal Water Supply Unit, Yellowstone Division, Pick-Sloan Missouri River Basin program, Montana.

Approved December 15, 1971.

Public Law 92-200

AN ACT

To amend certain provisions of subtitle II of title 28, District of Columbia Code, relating to interest and usury.

December 17, 1971
[S. 1938]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the text of section 28–3301 of subtitle II of title 28, District of Columbia Code, is amended to read as follows:

District of Columbia Consumer Credit Protection Act of 1971.
78 Stat. 675.
Infra.
Post, p. 666.

"Except as otherwise provided in section 28–3308, and chapter 36 of this subtitle, the parties to an instrument in writing for the payment of money at a future time may contract therein for the payment of interest on the principal amount thereof at a rate not exceeding 8 percent per annum."

SEC. 2. The text of clause (2) in the first sentence of section 28–3303 of subtitle II of title 28, District of Columbia Code, is amended to read as follows:

78 Stat. 675.

"(2) in writing, to pay a greater rate than is permitted under section 28–3301 or 28–3308 or under chapter 36 of this subtitle, the creditor shall forfeit the whole of the interest so contracted to be received."

SEC. 3. Chapter 33 of subtitle II of title 28, District of Columbia Code, is amended by adding the following section:

84 Stat. 828.
D.C. Code 28-3301.

"§ 28–3308. Finance charge on direct installment loans

"(a) On a loan in which the principal does not exceed $25,000 (other than a loan directly secured on real estate or a direct motor vehicle installment loan covered by chapter 36 of this subtitle) to be repaid in equal or substantially equal monthly, or other periodic, installments, any federally insured bank or savings and loan association doing business in the District of Columbia may contract for and receive interest at the rate permitted under this chapter or, in lieu of such interest, a finance charge, which, if expressed as an annual percentage rate, does not exceed a rate of 11½ percent per annum on the unpaid balances of principal. This section does not limit or restrict the manner of contracting for the finance charge, whether by way of discount, add-on or simple interest, so long as the annual percentage rate of the finance charge does not exceed that permitted by this section.

"(b) If such installment loan is precomputed,

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"(1) the finance charge may be calculated on the assumption that all scheduled payments will be made when due, and

"(2) except as provided in subsection (c), upon prepayment in full of the unpaid balance of a precomputed direct installment loan, refinancing, or consolidation, an amount not less than the unearned portion of the finance charge calculated according to this section shall be rebated to the debtor. If the rebate otherwise required is less than $1, no rebate need be made.

"(c) Upon prepayment in full of such direct installment loan other than a refinancing or consolidation, whether or not precomputed, the lender may collect or retain a minimum charge within the limits stated in this section if the finance charge earned at the time of prepayment is less than any minimum charge contracted for. The minimum charge may not exceed the smaller of the following: (1) the amount of the finance charge contracted for, or (2) $5 in a transaction which had a principal of $75 or less, or $7.50 in a transaction which had a principal of more than $75.

"(d) The unearned portion of the finance charge is a fraction of the finance charge of which the numerator is the sum of the periodic balances scheduled to follow the computational period in which the prepayment occurs, and the denominator is the sum of all periodic balances under either the related loan agreement or, if the balance owing resulted from a refinancing or a consolidation, under the related refinancing agreement or consolidation agreement.

Definitions.

"(e) As used in this section, 'finance charge', and 'annual percentage rate' shall have the respective meanings under the provisions of the Truth-in-Lending Act (82 Stat. 146 et seq.; 15 U.S.C. 1601 et seq.) and the regulations and interpretations thereunder; and 'federally insured bank or savings and loan association' means an insured bank as defined in section 3 of the Federal Deposit Insurance Act or an 'insured institution' as defined in section 401 of the National Housing Act."

84 Stat. 1126.

64 Stat. 873.
12 USC 1813.

48 Stat. 1255.
12 USC 1724.

SEC. 4. Subtitle II of title 28, District of Columbia Code, is amended by adding at the end thereof the following chapters:

78 Stat. 667.
D.C. Code 28-2101.

"Chapter 36.—DIRECT MOTOR VEHICLE INSTALLMENT LOANS

"§ 28–3601. Direct motor vehicle installment loans

"The provisions of the Act approved April 22, 1960 (Public Law 86–431, 74 Stat. 69; D.C. Code, 1967 ed., chapter 9 of title 40), covering installment sales of motor vehicles, as amended, and the regulations issued thereunder, shall apply to the extent appropriate to, a direct installment loan, secured by a security interest in a motor vehicle, made by a federally insured bank or savings and loan association doing business in the District of Columbia, subject to section 28–3602.

77 Stat. 771.
D.C. Code 40-901.

Post, p. 667.

"§ 28–3602. Finance charge

"Such a bank or savings and loan association may contract for and receive interest at the rate provided for in chapter 33 or, in lieu of such interest, a finance charge which, if expressed as an annual percentage rate, does not exceed a rate of 11½ percent per annum on the unpaid balances of principal.

Ante, p. 665.

"§ 28–3603. Definitions

"As used in this chapter, 'finance charge' and 'annual percentage rate' shall have the respective meanings under the provisions of the Truth-in-Lending Act (82 Stat. 146 et seq.; 15 U.S.C. 1601 et seq.) and the regulations and interpretations thereunder; and 'federally insured bank or savings and loan association' means an insured bank as defined in section 3 of the Federal Deposit Insurance Act or an 'insured institution' as defined in section 401 of the National Housing Act.

84 Stat. 1126.

64 Stat. 873.
12 USC 1813.

48 Stat 1255.
12 USC 1724.

"Chapter 37.—REVOLVING CREDIT ACCOUNTS

"§ 28–3701. Definitions

"As used in this chapter—

"(1) 'revolving credit account' means an arrangement between a seller or financial institution and a buyer pursuant to which (A) the seller may permit the buyer to purchase goods or services on credit either from the seller or by use of a credit card or other device, whether issued by the seller or a financial institution, (B) the unpaid balances of amounts financed arising from purchases and the credit service and other appropriate charges are debited to an account, (C) a credit service charge if made is not precomputed but is computed on an outstanding unpaid balance of the buyer's account from time to time, and (D) the buyer has the privilege of paying the balances in full or in installments.

"(2) 'credit service charge' means the sum of (A) all charges payable directly or indirectly by the buyer and imposed directly or indirectly by the seller as an incident to the extension of credit, including any of the following types of charges which are applicable: time price differential, service, carrying or other charge, however denominated, premium or other charge for any guarantee or insurance protecting the seller against the buyer's default or other credit loss; (B) charges incurred for investigating the collateral or credit-worthiness of the buyer or for commissions or brokerage for obtaining the credit, irrespective of the person to whom the charges are paid or payable, unless the seller had no notice of the charges when the credit was granted.

"(3) 'seller' means a person engaged in the District of Columbia in the business of selling goods or services to retail buyers.

"(4) 'buyer' means a person who buys goods or obtains services

from a seller pursuant to a retail credit sale and not principally for the purpose of resale; and includes a person who enters into a prior agreement with a financial institution whereby the latter agrees to pay the debts of the buyer as they accrue at various retail sellers, designated by the financial institution, in consideration of the buyer paying to the financial institution the cash sales price plus the credit service charge on the purchase.

"(5) 'person' includes any individual, partnership, corporation, association, trust, joint stock company, or any other group of persons however organized.

"(6) 'financial institution' means a person who enters into an agreement with a buyer whereby the former agrees to extend credit to the buyer and to apply it as directed by the buyer pursuant to a credit card issued to the buyer by the financial institution; and this term includes any federally insured bank as defined in section 3 of the Federal Deposit Insurance Act doing business in the District of Columbia.

64 Stat. 873.
12 USC 1813.

"§ 28–3702. Amount and computation of credit service charge

"(a) The seller or financial institution may contract for the payment by the buyer of a credit service charge not exceeding that permitted by this section.

"(b) A credit service charge may be made in each billing cycle. For the purpose of computing the outstanding balance subject to the credit service charge, (1) the outstanding balance on any day shall consist of an amount which shall not exceed the sum of the total charges to the account less the amounts paid or credited to the account prior to such day, or (2) the outstanding balance may be computed by the average daily balance method. The credit service charge may also be computed for all outstanding balances within a range of not in excess of $10 on the basis of the median amount within such range if as so computed such credit service charge is applied to all outstanding balance within such range.

"(c) If the billing cycle is monthly, the charge may not exceed 1½ percent of that part of the outstanding balance which is $500 or less and 1 percent on that part of this amount which is more than $500. If the billing cycle is not monthly, the maximum charge is that percentage which bears the relation to the applicable monthly percentage as the number of days in the billing cycle bears to thirty. For the purposes of this section, a variation of not more than four days from month to month is 'the same day of the billing cycle'.

"Chapter 38.—CONSUMER PROTECTIONS

"§ 28–3801. Scope—Limitation on agreements and practices

"This chapter applies to actions to enforce rights arising from a consumer credit sale or a direct installment loan.

"§ 28–3802. Definitions

"As used in this chapter—

"(1) 'revolving credit account' means a revolving credit account as defined in section 28–3701 of this subtitle. *Ante*, p. 667.

"(2) 'consumer credit sale' means a sale of goods or services in which—

"(A) credit is granted by a person who regularly engages as a seller in credit transactions of the same kind;

"(B) the buyer is a natural person;

"(C) the goods or services are purchased primarily for a personal, family, household, or agricultural purpose;

"(D) either the debt is payable in installments or a finance charge is made; and

"(E) the amount financed does not exceed $25,000.

The term includes any contract in the form of a bailment or lease if the bailee or lessee contracts to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the property and services involved and it is agreed that the bailee or lessee will become, or for no other or a nominal consideration has the option to become, the owner of the property upon full compliance with his obligations under the contract.

"(3) 'direct installment loan' means a direct installment loan as that term is used in section 28–3308 of this subtitle and does not include a loan secured on real estate or a direct motor vehicle installment loan covered by chapter 36 of this subtitle. *Ante*, p. 665. *Ante*, p. 666.

"(4) 'cross collateral' means an arrangement wherein a seller in a 'consumer credit sale' secures a debt arising from the sale by contracting for a security interest in other property if as a result of a prior sale the seller has an existing security interest in the other property. The seller may also contract for a security interest in the property sold in the subsequent sale as a security for the previous debt.

"§ 28–3803. Balloon payments

"With respect to a consumer credit sale or direct installment loans except for revolving credit accounts:

"(1) No creditor shall at any time enter into an agreement which contains or anticipates a schedule of payments under which any one payment is not equal or substantially equal to all other payments, excluding any final payment which is less than the average of previous payments or any down payment received by the creditor contemporaneously with or prior to the consummation of the transaction, or under which the intervals between any consecutive payments differ substantially.

"(2) Notwithstanding any provision of this section, where a consumer's livelihood is dependent upon seasonal or intermittent income, the parties may agree in a separate writing that one or more payments or the intervals between one or more payments may be reduced or expanded in accordance with the needs of the consumer if such payments are expressly related to the consumer's income. The separate writing shall contain a conspicuous notice directly above the signature line stating: 'I waive my right to have all payments to be made under this agreement in substantially equal amounts'.

"(3) In the event that the provisions of paragraph (2) apply, the consumer shall have the right at any time, without further cost or obligation, to revise the schedule of payments to conform both as to amounts and intervals to the average of all installments and intervals.

"§ 28–3804. Assignment of earnings and authorization to confess judgment prohibited

"(a) A creditor may not take an assignment of earnings of the consumer for payment or as security for payment of an obligation arising out of a consumer credit sale or direct installment loan.

"(b) A creditor may not take or accept from the consumer a warrant or power of attorney or other authorization for the creditor, or other person acting on his behalf, to confess judgment arising out of a consumer credit sale or direct installment loan.

"(c) An assignment of earnings or an authorization in violation of this section is subject to the provisions of section 28–3813(d)(1) of this subtitle.

Post, p. 675.

"§ 28–3805. Debts secured by cross-collateral

"(a) If debts arising from two or more consumer credit sales other than sales pursuant to a revolving charge account (§ 28–3701), are secured by cross-collateral, or consolidated into one debt payable on a single schedule of payments, and the debt is secured by security interests taken with respect to one or more of the sales, payments received by the seller after the taking of the cross-collateral or the consolidation are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been first applied to the payment of the debts arising from the sales first made. To the extent debts are paid according to this section, security interests in items of property terminate as the debts originally incurred with respect to each item are paid.

Ante, p. 667.

"(b) Payment received by the seller upon a revolving charge are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been applied first to the payment of credit service charges in the order of their entry to the account and then to the payment of debts in the order in which the entries to the account showing the debts were made.

"(c) If the debts consolidated arose from two or more sales made on the same day, payments received by the seller are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been applied first to the payment of the smallest debt.

"§ 28–3806. Attorney's fees

"With respect to a consumer credit sale or direct installment loans the agreement may provide for the payment by the consumer of reasonable attorney's fees not in excess of 15 per centum of the unpaid balance of the obligation.

"§ 28–3807. Negotiable instruments prohibited

"(a) In a consumer credit sale, no seller shall take or otherwise arrange for the consumer to sign an instrument, except a check, payable 'to order' or 'to bearer' as evidence of the credit obligation of the consumer.

"(b) Any holder of an instrument prohibited by subsection (a) of this section 28–3807, if he takes it with knowledge of a violation of this section, takes it subject to all claims and defenses of the consumer up to the amount owing on the transaction total at the time of the assignment.

"§ 28–3808. Assignees subject to defenses

"(a) With respect to a consumer credit sale, an assignee of the rights of the seller or lessor is subject to all claims and defenses of the consumer or lessee arising out of the sale notwithstanding any terms or agreements to the contrary, but the assignee's liability under this section may not exceed the amount owing to the assignee at the time of the assignment.

"(b) Rights of the consumer or lessee can only be asserted as a matter of defense to or set-off against a claim by the assignee.

"§ 28–3809. Lender subject to defenses arising from sales

"(a) A lender who makes a direct installment loan for the purpose of enabling a consumer to purchase goods or services is subject to all claims and defenses of the consumer against the seller arising out of the purchase of the goods or service if such lender acts at the express request of the seller, and—

"(1) the seller particpates in the preparation of the loan instruments, or

"(2) the lender is a person or organization controlled by or under common control with the seller, or

"(3) the seller receives or will receive a fee, compensation, or other consideration from the lender for arranging the loan.

"(b) The lender's liability under this section may not exceed the amount of the loan. Rights of the debtor can only be asserted affirmatively in an action to cancel and void the sale from its inception, or as a matter of defense to or set-off against a claim by the lender.

"§ 28–3810. Referral sales

"With respect to a consumer credit sale, the seller or lessor may not give or offer to give a rebate or discount or otherwise pay or offer to pay value to the buyer or lessee as an inducement for a sale or lease in consideration of his giving to the seller or lessor the names of prospective purchasers or lessees, or otherwise aiding the sellor or lessor in making a sale or lease to another person, if the earning of the rebate, discount, or other value is contingent upon the occurrence of an event subsequent to the time the buyer or lessee agrees to buy or lease. If a buyer or lessee is induced by a violation of this section to enter into a consumer credit sale, the agreement is unenforceable by the seller or lessor and the buyer or lessee, at his option, may rescind the agreement or retain the goods delivered and the benefit of any services performed, without any obligation to pay for them.

"§ 28–3811. Home solicitation sales

"(a) As used in this section, 'home solicitation sale' means a cash sale or a consumer credit sale of goods, other than farm equipment, or services in which the seller or a person acting for him engages in a personal solicitation of the sale at or near a residence of the buyer and the buyer's agreement or offer to purchase is there given to a seller or a person acting for him. It does not include a sale made pursuant to a preexisting revolving credit account or prior negotiations between the parties at a business establishment at a fixed location where goods or services are offered or exhibited for sale.

"(b) Except as provided in subsection (f), in addition to any right otherwise to revoke an offer, the buyer has the right to cancel a home solicitation sale until midnight of the third business day after the day on which the buyer signs an agreement or offer to purchase which complies with this section.

"(c) Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address stated in the agreement or offer to purchase.

"(d) Notice of cancellation, if given by mail, is given when it is deposited in a mail box properly addressed and the postage prepaid.

"(e) Notice of cancellation given by the buyer need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the buyer not to be bound by the home solicitation sale.

"(f) The buyer may not cancel a home solicitation sale if the buyer requests the seller to provide goods or services without delay because of an emergency, and

"(1) the seller in good faith makes a substantial beginning of performance of the contract before the buyer gives notice of cancellation, and

"(2) in the case of goods, the goods cannot be returned to the seller in substantially as good condition as when received by the buyer, and

"(3) the buyer has signed separately the following notice which appears under the conspicuous caption: 'WAIVER OF RIGHT TO CANCEL' and reads as follows: 'Because of an emergency I waive any right I may have to cancel this home solicitation sale'.

"(g) (1) In a home solicitation sale, unless the buyer requests the seller to provide goods or services without delay in an emergency, the seller must present to the buyer and obtain his signature to a written agreement or offer to purchase which designates as the date of the transaction the date on which the buyer actually signs and contains a statement of the buyer's rights which complies with paragraph (2) of this subsection.

"(2) The statement must—

"(A) appear under this conspicuous caption: 'BUYERS RIGHT TO CANCEL', and

"(B) read as follows:

"'If this agreement was solicited at or near your residence and you do not want the goods or services, you may cancel this agreement by mailing a notice to the seller. The notice must say that you do not want the goods or services and must be mailed before midnight of the third business day after you signed this agreement. The notice must be mailed to:_____

_____

(insert name and address of seller)

If you cancel, the seller may not keep any of your cash down payment.'

"(3) Until the seller has complied with this section the buyer may cancel the home solicitation sale by notifying the seller in any manner and by any means of his intention to cancel.

"(h) (1) Except as provided in this section, within ten days after a home solicitation sale has been canceled or an offer to purchase revoked the seller must tender to the buyer any payments made by the buyer and any note or other evidence of indebtedness. A provision permitting the seller to keep all or any part of any payment, note, or evidence of indebtedness is in violation of this section and unenforceable.

"(2) If the down payment includes goods traded in, the goods must be tendered in substantially as good condition as when received by the seller. If the seller fails to tender the goods as provided by this section, the buyer may elect to recover an amount equal to the trade-in allowance stated in the agreement.

"(3) The seller is not entitled to retain a cancellation fee.

"(4) Until the seller has complied with the obligations imposed by this section the buyer may retain possession of goods delivered to him by the seller and has a lien on the goods in his possession or control for any recovery to which he is entitled.

"(i) (1) Except as provided by the provisions on retention of goods by the buyer (subsection (h) (4) of this section), within a reasonable time after a home solicitation sale has been canceled or an offer to purchase revoked, the buyer upon demand must tender to the seller any goods delivered by the seller pursuant to the sale but he is not obligated to tender at any place other than his residence. If the seller fails to demand possession of goods within a reasonable time after cancellation or revocation, the goods become the property of the buyer without obligation to pay for them. For the purpose of this section, forty days is presumed to be a reasonable time.

"(2) The buyer has a duty to take reasonable care of the goods in his possession before cancellation or revocation and for a reasonable time thereafter, during which time the goods are otherwise at the seller's risk.

"(3) If the seller has performed any services pursuant to a home solicitation sale prior to its cancellation, the seller is entitled to no compensation.

"§ 28–3812. Limitation on creditors' remedies

"(a) This section applies to actions or other proceedings to enforce rights arising from consumer credit sales, consumer leases, and direct installment loans (other than a loan directly secured on real estate or a direct motor vehicle installment loan covered by chapter 36 of title 28, District of Columbia Code); and, in addition, to extortionate extensions of credit.

Ante, p. 666.

"(b)(1) During the thirty-day period after a default consisting of a failure to pay money the creditor may not because of the default (A) accelerate the unpaid balance of the obligation, (B) bring action against the debtor, or (C) proceed against the collateral.

"(2) Unless the creditor has first (A) notified the debtor that he has elected to accelerate the unpaid balance of the obligation because of default, (B) brought action against the debtor, or (C) proceeded against the collateral, the debtor may cure a default consisting of a failure to pay money by tendering the amount of all unpaid sums due at the time of tender, without acceleration, plus any unpaid delinquency or deferral charges. Cure restores the debtor to his rights under the agreement as though the defaults cured had not occurred.

"(3) Posting of any notice required by law shall be deemed valid if mailed by certified mail to the debtor's last known address.

"(c)(1) The debtor may redeem the collateral from the creditor at any time—

"(A) within fifteen days of the creditor's taking possession of the collateral, or

"(B) thereafter until the creditor has either disposed of the collateral, entered into a contract for its disposition, or gained the right to retain the collateral in satisfaction of the debtor's obligation pursuant to the provisions on disposition of collateral in section 9–505 of subtitle I of title 28, District of Columbia Code.

77 Stat. 768. D.C. Code 28: 9-505.

"(2) The debtor may redeem the collateral by tendering fulfillment of all obligations secured by the collateral including reasonable expenses incurred in realizing on the security interest.

"(d) Subject to the provisions in this part, the parties may agree that the creditor has the right to take possession of the collateral on default. In taking possession, a secured party may proceed without judicial process if this can be done without breach of the peace and with consent of the debtor. Those who take the collateral through repossession shall be deemed the agent of the creditor, and the creditor shall be civilly liable for any of the actions of its agents.

"(e)(1) This subsection applies to consumer credit sales of goods or services and to direct installment loans secured by interests in goods.

"(2) A creditor may not maintain a proceeding for a deficiency unless he has disposed of the goods in good faith and in a commercially reasonable manner.

"(3) If the creditor repossesses or voluntarily accepts surrender of goods which were the subject of the sale and in which he has a security interest, the consumer is not personally liable to the creditor for the unpaid balance of debt arising from the sale of a commercial unit of goods of which the cash price was $2,000 or less. In that case the creditor is not obligated to resell the collateral unless the consumer has

paid 60 percent or more of the cash price and has not signed after default a statement renouncing his rights in the collateral.

"(4) If the creditor takes possession or voluntarily accepts surrender of goods which were not the subject of the sale but in which he has a security interest to secure a debt arising from a sale of goods or services or a combined sale of goods and services and the cash price of the sale was $2,000 or less, the debtor is not personally liable to the creditor for the unpaid balance of the debt arising from the sale and the creditor's duty to dispose of the collateral is governed by the provisions on disposition of collateral in section 9–505 of subtitle I of title 28, District of Columbia Code.

77 Stat. 768. D.C. Code 28: 9-505.

"(5) If the creditor takes possession or voluntarily accepts surrender of goods in which he has a security interest to secure a debt arising from a direct installment loan and the net proceeds of the loan paid to or for the benefit of the debtor are $2,000 or less, the consumer is not personally liable to the lender for the unpaid balance of the debt arising from the loan and the lender's duty to dispose of the collateral is governed by the provisions on disposition of collateral in section 9–505 of subtitle I of title 28, District of Columbia Code.

"(6) The consumer shall be liable in damages to the creditor if the debtor has wrongfully damaged the collateral or if, after default and demand, the debtor has wrongfully failed to make collateral available to the creditor.

"(7) If the creditor elects to bring an action against the buyer for a debt arising from a consumer credit sale of goods or services, when under this section he would not be entitled to a deficiency judgment if he repossessed the collateral, and obtains judgment—

"(A) he may not repossess the collateral, and

"(B) the collateral is not subject to levy or sale on execution or similar proceedings pursuant to the judgment.

"(f)(1) If it is the understanding of the creditor and the debtor at the time an extension of credit is made that delay in making repayment or failure to make repayment could result in the use of violence or other criminal means to cause harm to the person, reputation, or property of any person, the repayment of the extension of credit is unenforceable through civil judicial processes against the debtor.

"(2) If it is shown that an extension of credit was made at an annual rate exceeding 45 per centum and that the creditor then had a reputation for the use or threat of use of violence or other criminal means to cause harm to the person, reputation, or property of any person to collect extensions of credit or to punish the nonrepayment thereof, there is prima facie evidence that the extension of credit was unenforceable under paragraph (1) of this subsection.

"(g)(1) With respect to a consumer credit sale, or direct installment loan, if the court as a matter of law finds—

"(A) the agreement to have been unconscionable at the time it was made, or to have been induced by unconscionable conduct, the court may refuse to enforce the agreement, or

"(B) any clause of the agreement to have been unconscionable at the time it was made, the court may refuse to enforce the agreement, or may enforce the remainder of the agreement without the unconscionable clause, or may so limit the application of any unconscionable clause as to avoid any unconscionable result.

"(2) If it is claimed or appears to the court that the agreement or any clause thereof may be unconscionable the parties shall be afforded a reasonable opportunity to present evidence as to its setting, purpose, and effect to aid the court in making the determination.

"(3) For the purpose of this section, a charge or practice expressly permitted by this section is not in and of itself unconscionable in the absence of other practices and circumstances.

"§ 28–3813. Consumers' remedies

"(a) The remedies provided by this section shall be liberally administered to the end that the consumer as the aggrieved party shall be put in at least as good a position as if the creditor had fully complied with this chapter. Except as is otherwise specifically provided where there are willful and repeated violations of this chapter consequential and special damages may be had in lieu of the specific penalties allowed, and in addition punitive damages may be had as indicated.

"(b) Any right or obligation declared by this chapter is enforceable by action unless the provision declaring it specifies a different and limited effect.

"(c) 'Transaction total' means—

"(1) in the case of transactions pursuant to open end credit plans or consumer credit transactions, the total of the following calculated as if the amount or amounts financed were paid over the maximum period of the plan or, if there is no such period, over twelve months beginning with the next billing cycle or cycles following the transaction or transactions:

"(A) the amount financed, plus any down payment or required deposit balance, and

"(B) the total finance charge, including any prepaid finance charge;

"(2) in the case of other than open end transactions or consumer credit transactions, the total of the following:

"(A) the amount financed, plus any down payment or required deposit balance, and

"(B) the amount of all precomputed or precomputable finance charge, including any prepaid finance charge.

"(d) (1) In the discretion of the court, a consumer may recover from the person violating this chapter, in addition to the damages the law otherwise allows, 10 percent of the transaction total, if applicable, or $100, whichever is greater, for violations to which this section applies.

"(2) This section also applies to all violations for which no other remedy is specifically provided.

"(e) If a consumer prevails in a suit brought under this Act, the court may assess reasonable attorney's fees in addition to any other amounts recoverable under this chapter.

"(f) Any charge, practice, term, clause, provision, security interest, or other action or conduct which can be shown to be in willful violation of the provisions of this chapter shall confer no rights or obligations enforceable by action.

"§ 28–3814. Debt collection

"(a) This section only applies to conduct and practices in connection with collection of obligations arising from consumer credit sales, consumer leases, and direct installment loans (other than a loan directly secured on real estate or a direct motor vehicle installment loan covered by chapter 36 of title 28).

Ante, p. 666.

Definitions.

"(b) As used in this section, the term—

"(1) 'claim' means any obligation or alleged obligation, arising from a consumer credit sale, consumer lease, or direct installment loan;

"(2) 'debt collection' means any action, conduct or practice in connection with the solicitation of claims for collection or in connection with the collection of claims, that are owed or due, or are alleged to be owed or due, a seller or lender by a consumer; and

"(3) 'debt collector' means any person engaging directly or indirectly in debt collection, and includes any person who sells or offers to sell forms represented to be a collection system, device, or scheme intended or calculated to be used to collect claims.

"(c) No debt collectors shall collect or attempt to collect any money

alleged to be due and owing by means of any threat, coercion, or attempt to coerce in any of the following ways:

"(1) the use, or express or implicit threat of use, of violence or other criminal means, to cause harm to the person, reputation, or property of any person;

"(2) the accusation or threat to falsely accuse any person of fraud or any crime, or any conduct which, if true, would tend to disgrace such other person or in any way subject him to ridicule, or any conduct which, if true, would tend to disgrace such other person or in any way subject him to ridicule or contempt of society;

"(3) false accusations made to another person, including any credit reporting agency, that a consumer has not paid a just debt, or threat to so make such false accusations;

"(4) the threat to sell or assign to another the obligation of the consumer with an attending representation or implication that the result of such sale or assignment would be that the consumer would lose any defense to the claim or would be subjected to harsh, vindictive, or abusive collection attempts; and

"(5) the threat that nonpayment of an alleged claim will result in the arrest of any person.

"(d) No debt collector shall unreasonably oppress, harass, or abuse any person in connection with the collection of or attempt to collect any claim alleged to be due and owing by that person or another in any of the following ways:

"(1) the use of profane or obscene language or language that is intended to unreasonably abuse the hearer or reader;

"(2) the placement of telephone calls without disclosure of the caller's identity or with the intent to harass or threaten any person at the called number; and

"(3) causing expense to any person in the form of long-distance telephone tolls, telegram fees, or other charges incurred by a medium of communication, by concealment of the true purpose of the notice, letter, message, or communication.

"(e) No debt collector shall unreasonably publicize information relating to any alleged indebtedness or debtor in any of the following ways:

"(1) the communication of any false information relating to a consumer's indebtedness to any employer or his agent except where such indebtedness has been guaranteed by the employer or the employer has requested the loan giving rise to the indebtedness and except where such communication is in connection with an attachment or execution after judgments as authorized by law;

"(2) the disclosure, publication, or communication of false information relating to a consumer's indebtedness to any relative or family member of the consumer unless such person is known to the debt collector to be a member of the same household as the consumer, except through proper legal action or process or at the express and unsolicited request of the relative or family member;

"(3) the disclosure, publication, or communications of any information relating to a consumer's indebtedness by publishing or posting any list of consumers, except for the publication and distribution of 'stop lists' to point-of-sale locations where credit is extended, or by advertising for sale any claim to enforce payment thereof or in any other manner other than through proper legal action, process, or proceeding; and

"(4) the use of any form of communication to the consumer, which ordinarily may be seen by any other persons, that displays or conveys any information about the alleged claim other than the name, address, and phone number of the debt collector.

"(f) No debt collector shall use any fraudulent, deceptive, or misleading representation or means to collect or attempt to collect claims or to obtain information concerning consumers in any of the following ways:

"(1) the use of any company name, while engaged in debt collection, other than the debt collector's true company name;

"(2) the failure to clearly disclose in all written communications made to collect or attempt to collect a claim or to obtain or attempt to obtain information about a consumer, that the debt collector is attempting to collect a claim and that any information obtained will be used for that purpose;

"(3) any false representation that the debt collector has in his possession information or something of value for the consumer, that is made to solicit or discover information about the consumer;

"(4) the failure to clearly disclose the name and full business address of the person to whom the claim has been assigned for collection, or to whom the claim is owed, at the time of making any demand for money;

"(5) any false representation or implication of the character, extent, or amount of a claim against a consumer, or of its status in any legal proceeding;

"(6) any false representation or false implication that any debt collector is vouched for, bonded by, affiliated with or an instrumentality, agent, or official of the District of Columbia or any agency of the Federal or District government;

"(7) the use or distribution or sale of any written communication which simulates or is falsely represented to be a document authorized, issued, or approved by a court, an official, or any other legally constituted or authorized authority, or which creates a false impression about its source, authorization, or approval;

"(8) any representation that an existing obligation of the consumer may be increased by the addition of attorney's fees, investigation fees, service fees, or any other fees or charges when in fact such fees or charges may not legally be added to the existing obligation; and

"(9) any false representation or false impression about the status or true nature of or the services rendered by the debt collector or his business.

"(g) No debt collector shall use unfair or unconscionable means to collect or attempt to collect any claim in any of the following ways:

"(1) the seeking or obtaining of any written statement or acknowledgment in any form that specifies that a consumer's obligation is one incurred for necessaries of life where the original obligation was not in fact incurred for such necessaries;

"(2) the seeking or obtaining of any written statement or acknowledgment in any form containing an affirmation of any obligation by a consumer who has been declared bankrupt without clearly disclosing the nature and consequences of such affirmation and the fact that the consumer is not legally obligated to make such affirmation;

"(3) the collection or the attempt to collect from the consumer all or any part of the debt collector's fee or charge for services rendered;

"(4) the collection of or the attempt to collect any interest or other charge, fee, or expense incidental to the principal obligation unless such interest or incidental fee, charge, or expense is expressly authorized by the agreement creating the obligation and legally chargeable to the consumer or unless such interest or incidental fee, charge, or expense is expressly authorized by law; and

"(5) any communication with a consumer whenever it appears that the consumer has notified the creditor that he is represented by an attorney and the attorney's name and address are known.

"(h) No debt collector shall use, or distribute, sell, or prepare for use, any written communication that violates or fails to conform to United States postal laws and regulations.

"(i) No debt collector shall take or accept for assignment any of the following:

"(1) an assignment of any claim for attorney's fees which have not been lawfully provided for in the writing evidencing the obligation; or

"(2) an assignment for collection of any claim upon which suit has been filed or judgment obtained, without the debt collector first making a reasonable effort to contact the attorney representing the consumer.

"(j)(1) Proof, by substantial evidence, that a debt collector has willfully violated any provision of the foregoing subsections of this section shall subject such debt collector to liability to any person affected by such violation for all damages proximately caused by the violation.

"(2) Punitive damages may be awarded to any person affected by a willful violation of the foregoing subsections of this section, when and in such amount as is deemed appropriate by the court and trier of fact.

"§ 28–3815. Administrative enforcement

"(a) As used in this section—

"(1) 'Commissioner' means the Commissioner of the District of Columbia or his designated agent;

"(b) Compliance with the requirements imposed under this chapter shall be enforced by the Commissioner. Nothing contained herein shall be construed to affect the authority and jurisdiction of the respective agencies designated in section 108 of the Truth-in-Lending Act (82 Stat. 146 et seq.; 15 U.S.C. 1601 et seq.).

82 Stat. 150.
15 USC 1607.

"§ 28–3816. Inconsistent laws: What law governs

"If any provision of law or regulation promulgated thereunder is inconsistent with this chapter, this chapter shall govern, unless this chapter or the inconsistent provision of the other laws specifically provides otherwise."

77 Stat. 554.

SEC. 5. Section 571 of title 16 of the District of Columbia Code is amended to read as follows:

"§ 16–571. Definitions

"For purposes of this subchapter—

"(1) The term 'wages' means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program.

"(2) The term 'disposable wages' means that part of the earnings of any individual remaining after the deduction from those earnings of any amounts required by law to be withheld.

"(3) The term 'garnishment' means any legal or equitable procedure through which the wages of any individual are required to be withheld for payment of any debt."

SEC. 6. The text of clauses (1), (2), and (3), in the first paragraph of section 16–572 of subchapter III of chapter 5 of title 16, District of Columbia Code, is amended to read as follows:

"(1) 25 per centum of his disposable wages that week, or

"(2) the amount by which his disposable wages for that week exceed thirty times the Federal minimum hourly wage prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) in effect at the time the wages are payable, whichever is less. In the case of wages for any pay period other than a week, the Commissioner of the District of Columbia shall by regulation prescribe a multiple of the Federal minimum hourly wage equivalent in effect to that set forth in paragraph (2)." 80 Stat. 838.

SEC. 7. Subchapter III of chapter 5 of title 16, District of Columbia Code, is amended by adding the following sections: 77 Stat. 554. D.C. Code 16-571.

"§ 16–583. No garnishment before judgment

"Notwithstanding any other provision of law, prior to entry of judgment in an action against a debtor, the creditor may not obtain an interest in any property of the debtor by attachment, garnishment, or like proceedings.

"§16–584. No discharge from employment for garnishment

"No employer shall discharge an employee for the reason that a creditor of the employee has subjected or attempted to subject unpaid earnings of the employee to garnishment or like proceedings directed to the employer for the purpose of paying a judgment."

SEC. 8. (a) The analysis of chapter 33 of title 28 of subtitle II, District of Columbia Code, is amended by adding at the end thereof the following new item:

"28–3308. Finance charge on direct installment loans."

(b) The analysis of subtitle II of title 28, District of Columbia Code, is amended by adding at the end thereof the following new items:

"36. Direct Motor Vehicle Installment Loans ..... 28–3601.
"37. Revolving Credit Accounts ..... 28–3701.
"38. Consumer Protections ..... 28–3801."

(c) The analysis of subchapter III of chapter 5 of title 16, District of Columbia Code, is amended by adding at the end thereof the following new items:

"16–583. No garnishment before judgment.
"16–584. No discharge from employment for garnishment."

SEC. 9. (a) The Act of February 4, 1913 (relating to the regulation of the business of loaning money in the District of Columbia) (D.C. Code, secs. 26–601—26–611), is amended by adding at the end of that Act the following: Money lenders, licenses. 37 Stat. 657; 77 Stat. 344.

"SEC. 14. (a) No provision of this Act shall apply with respect to any loan, or to the making of any loan—

"(1) to any corporation which is unable to plead any statutes against usury in any action;

"(2) at a rate of interest which does not exceed the maximum lawful rate of interest which would be applicable to such loan but for the provisions of this Act;

"(3) secured on real estate located outside of the District of Columbia;

"(4) to a borrower residing, doing business, or incorporated outside of the District of Columbia; or

"(5) greater than $10,000.

"(b) If any provision of this section or the application thereof to any person or circumstance, is held invalid, the remainder of the section, and the application of such provision to other persons or circumstances shall not be affected thereby."

Effective date.

(b) The amendment made by subsection (a) of this section shall apply with respect to any loan made, or to the making of any loan, in the District of Columbia on or after the effective date of such Act of February 4, 1913 (as specified in section 13 of such Act); except that such amendment shall not apply with respect to any loan made, or to the making of any loan, in the District of Columbia concerning which an action under such Act of February 4, 1913, has been filed in a court of competent jurisdiction on or before November 10, 1971.

37 Stat. 657.

Short title.

SEC. 10. This Act may be cited as the "District of Columbia Consumer Credit Protection Act of 1971".

Approved December 17, 1971.

Public Law 92-201

December 18, 1971
[H. J. Res. 1005]

JOINT RESOLUTION

Making further continuing appropriations for the fiscal year 1972, and for other purposes.

Continuing appropriations, 1972.
Ante, p. 485.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of July 1, 1971 (Public Law 92-38), as amended, is hereby further amended (1) by striking out "December 8, 1971" in clause (c) of section 102 and inserting in lieu thereof "February 22, 1972"; (2) by amending section 108 to read as follows:

Limitation.

"SEC. 108. Notwithstanding any other provision of this joint resolution, obligations incurred hereunder and under prior year balances for the activities hereinafter specified shall not exceed the annual rates specified herein during the period beginning December 9, 1971, and ending February 22, 1972:

"Item	Annual rate
TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES	
Economic assistance:	
Worldwide, technical assistance	$165,272,000
Alliance for Progress, technical assistance	79,105,000
American schools and hospitals abroad	15,000,000
International organizations and programs	41,282,000
Indus Basin Development Fund, grants	5,000,000
Indus Basin Development Fund, loans	6,000,000
Contingency fund	31,300,000
Refugee relief assistance (East Pakistan)	100,000,000
Alliance for Progress, development loans	226,693,000
Development loans	530,779,000
Administrative expenses, Agency for International Development	47,000,000
Administrative expenses, Department of State	4,280,000
Military and supporting assistance:	
Military assistance	522,500,000
Supporting assistance	649,721,000
Other:	
Overseas Private Investment Corporation, reserves	18,750,000