

§ 3805. Applicability of consumer protection provisions

Section 501(c)(1) of the Depository Institutions Deregulation and Monetary Control Act of 1980 shall not apply to transactions which are subject to this chapter.

(Pub. L. 97-320, title VIII, § 806, Oct. 15, 1982, 96 Stat. 1548.)

REFERENCES IN TEXT

Section 501(c)(1) of the Depository Institutions Deregulation and Monetary Control Act of 1980, referred to in text, is section 501(c)(1) of Pub. L. 96-221, title V, Mar. 31, 1980, 94 Stat. 161, as amended, which is set out as a note under section 1735f-7 of this title.

EFFECTIVE DATE

Section effective Oct. 15, 1982, see section 807(a) of Pub. L. 97-320, set out as a note under section 3801 of this title.

§ 3806. Adjustable rate mortgage caps

(a) In general

Any adjustable rate mortgage loan originated by a creditor shall include a limitation on the maximum interest rate that may apply during the term of the mortgage loan.

(b) Regulations

The Board of Governors of the Federal Reserve System shall prescribe regulations to carry out the purposes of this section.

(c) Enforcement

Any violation of this section shall be treated as a violation of the Truth in Lending Act [15 U.S.C. 1601 et seq.] and shall be subject to administrative enforcement under section 108 [15 U.S.C. 1607] or civil damages under section 130 [15 U.S.C. 1640] of such Act, or both.

(d) Definitions

For the purpose of this section—

(1) the term “creditor” means a person who regularly extends credit for personal, family, or household purposes; and

(2) the term “adjustable rate mortgage loan” means any consumer loan secured by a lien on a one- to four-family dwelling unit, including a condominium unit, cooperative housing unit, or mobile home, where the loan is made pursuant to an agreement under which the creditor may, from time to time, adjust the rate of interest.

(e) Effective date

This section shall take effect upon the expiration of 120 days after August 10, 1987.

(Pub. L. 100-86, title XII, § 1204, Aug. 10, 1987, 101 Stat. 662; Pub. L. 102-550, title IX, § 952, Oct. 28, 1992, 106 Stat. 3893.)

REFERENCES IN TEXT

The Truth in Lending Act, referred to in subsec. (c), is title I of Pub. L. 90-321, May 29, 1968, 82 Stat. 146, as amended, which is classified generally to subchapter I (§ 1601 et seq.) of chapter 41 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 15 and Tables.

CODIFICATION

Section was enacted as part of the Competitive Equality Banking Act of 1987, and not as part of the Al-

ternative Mortgage Transaction Parity Act of 1982 which comprises this chapter.

AMENDMENTS

1992—Subsec. (d)(2). Pub. L. 102-550 substituted “any consumer loan” for “any loan”.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 15 section 1639.

CHAPTER 40—INTERNATIONAL LENDING SUPERVISION

Sec.	
3901.	Congressional declaration of policy.
3902.	Definitions.
3903.	Strengthened supervision of international lending.
3904.	Reserves.
	(a) Establishment and maintenance of special reserves.
	(b) Accommodation of potential losses on foreign loans by United States banks.
	(c) Regulations and orders of Federal banking agencies.
3904a.	Additional reserve requirements.
	(a) In general.
	(b) Determination of institutional exposure to risk.
	(c) Timing and report.
	(d) “Highly indebted country” defined.
3905.	Accounting for fees on international loans.
3906.	Collection and disclosure of international lending data.
	(a) Submission of information to Federal banking agencies.
	(b) Disclosure of information to the public.
	(c) Regulations and orders of Federal banking agencies.
3907.	Capital adequacy.
3908.	Foreign loan evaluations.
	(a) Projects requiring an economic feasibility evaluation; content of evaluation.
	(b) Review of evaluation by Federal banking agencies.
	(c) Other statutory authorities applicable.
3909.	General authorities.
	(a) Rules and regulations.
	(b) Systems uniformity.
	(c) Existing authorities.
	(d) Civil penalties; assessment and collection.
3910.	Audit authority of General Accounting Office.
	(a) Scope of audit.
	(b) Limits on disclosure.
	(c) Records, property, workpapers, correspondence, and documents; accessibility.
3911.	Equal representation for Federal Deposit Insurance Corporation.
3912.	Repealed.

§ 3901. Congressional declaration of policy

(a)(1) It is the policy of the Congress to assure that the economic health and stability of the United States and the other nations of the world shall not be adversely affected or threatened in the future by imprudent lending practices or inadequate supervision.

(2) This shall be achieved by strengthening the bank regulatory framework to encourage prudent private decisionmaking and by enhancing international coordination among bank regulatory authorities.

(b) The Federal banking agencies shall consult with the banking supervisory authorities of other countries to reach understandings aimed at achieving the adoption of effective and consistent supervisory policies and practices with respect to international lending.

(Pub. L. 98-181, title IX, §902, Nov. 30, 1983, 97 Stat. 1278.)

SHORT TITLE OF 1989 AMENDMENT

Pub. L. 101-240, title IV, §401, Dec. 19, 1989, 103 Stat. 2501, provided that: "This title [enacting section 3904a of this title and enacting provisions set out as notes under section 3904a of this title and section 2291 of Title 22, Foreign Relations and Intercourse] may be cited as the 'Foreign Debt Reserving Act of 1989'."

SHORT TITLE

Section 901 of title IX of Pub. L. 98-181 provided that: "This title [enacting this chapter] may be cited as the 'International Lending Supervision Act of 1983'."

ENCOURAGEMENT OF DEBT-FOR-DEVELOPMENT SWAPS THROUGH LOCAL CURRENCY REPAYMENT

Pub. L. 101-240, title V, §531, Dec. 19, 1989, 103 Stat. 2513, provided that:

"(a) STATEMENT OF POLICY.—It is the sense of the Congress that—

"(1) debt-for-development swaps, where payment is made in local currency at the free market rate, serve a useful purpose by providing banking institutions with constructive opportunities for the reduction of the external debt of highly indebted developing countries in a process that involves the participation of private, nonprofit groups in providing a stimulus to the economic and social development of such developing countries;

"(2) debt-for-development swaps provide highly indebted developing countries with a creative method of reducing external debt burdens, while promoting their economic growth and restructuring objectives;

"(3) banking institutions should give careful consideration to engaging in such swaps as one means of strengthening overall loan portfolios through the reduction of high external debt burdens while expanding economic opportunities through private sector initiatives; and

"(4) in order to avoid any bias against such swaps in the regulatory framework applicable to the financial reporting of banking institutions, where payment is made in local currency at the free market rate, appropriate recognition of the fair market exchange value of the currency so received should be made.

"(b) NOTIFICATION RELATING TO LOCAL CURRENCY REPAYMENT THROUGH DEBT-FOR-DEVELOPMENT SWAPS.—Before the end of the 6-month period beginning on the date of the enactment of this section [Dec. 19, 1989], each appropriate Federal banking agency shall adopt uniform guidelines that will effectuate the policy set forth in subsection (a) concerning the regulatory framework and accounting treatment of debt-for-development swaps involving repayment in local currency at the free market rate. For the purpose of such guidelines, the impact of such swaps on reported loan loss reserves shall be determined by valuing currency received in such swaps at fair market exchange value.

"(c) DEFINITIONS.—As used in this section:

"(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate Federal banking agency' has the meaning given such term in section 903(1) of the International Lending Supervision Act of 1983 [2 U.S.C. 3902(1)].

"(2) BANKING INSTITUTION.—The term 'banking institution' has the meaning given such term in section 903(2) of the International Lending Supervision Act of 1983.

"(3) DEBT-FOR-DEVELOPMENT SWAP.—The term 'debt-for-development swap' has the meaning given such

term in section 1608(b)(2) of the International Financial Institutions Act [22 U.S.C. 262p-4c(b)(2)].

"(4) HIGHLY INDEBTED COUNTRY.—The term 'highly indebted country' means any country designated as a 'Highly Indebted Country' in the annual World Debt Tables most recently published by the International Bank for Reconstruction and Development before the date of the enactment of this section [Dec. 19, 1989]."

§ 3902. Definitions

For purposes of this chapter—

(1) the term "appropriate Federal banking agency" has the same meaning given such term in section 1813(q) of this title, except that for purposes of this chapter such term means the Board of Governors of the Federal Reserve System for—

(A) bank holding companies and any nonbank subsidiary thereof;

(B) Edge Act corporations organized under section 25(a)¹ of the Federal Reserve Act [12 U.S.C. 611 et seq.]; and

(C) Agreement Corporations operating under section 25 of the Federal Reserve Act [12 U.S.C. 601 et seq.]; and

(2) the term "banking institution" means—

(A)(i) an insured bank as defined in section 1813(h) of this title or any subsidiary of an insured bank;

(ii) an Edge Act corporation organized under section 25(a)¹ of the Federal Reserve Act [12 U.S.C. 611 et seq.]; and

(iii) an Agreement Corporation operating under section 25 of the Federal Reserve Act [12 U.S.C. 601 et seq.]; and

(B) to the extent determined by the appropriate Federal banking agency, any agency or branch of a foreign bank, and any commercial lending company owned or controlled by one or more foreign banks or companies that control a foreign bank as those terms are defined in the International Banking Act of 1978 [12 U.S.C. 3101 et seq.]. The term "banking institution" shall not include a foreign bank.

(Pub. L. 98-181, title IX, §903, Nov. 30, 1983, 97 Stat. 1278.)

REFERENCES IN TEXT

Section 25(a) of the Federal Reserve Act, referred to in pars. (1) and (2)(A), which is classified to subchapter II (§611 et seq.) of chapter 6 of this title, was renumbered section 25A of that act by Pub. L. 102-242, title I, §142(e)(2), Dec. 19, 1991, 105 Stat. 2281. Section 25 of the Federal Reserve Act is classified to subchapter I (§601 et seq.) of chapter 6 of this title.

The International Banking Act of 1978, referred to in par. (2)(B), is Pub. L. 95-369, Sept. 17, 1978, 92 Stat. 607, which enacted sections 347d, 611a, and 3101 to 3111 of this title, amended sections 72, 378, 614, 615, 618, 619, 1813, 1815, 1817, 1818, 1820, 1821, 1822, 1823, 1828, 1829b, 1831b, and 1841 of this title, and enacted provisions set out as notes under sections 36, 247, 601, 611a, and 3101 of this title. For definitions, see section 3101 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of this title and Tables.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1464, 3910 of this title.

¹ See References in Text note below.