

**SUBSTITUTE FOR THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 3490
OFFERED BY MR. DAVIDSON OF OHIO**

Strike all after the enacting clause and insert the
following:

1 **SECTION 1. REQUIREMENT FOR CONFESSIONS OF JUDGE-**
2 **MENT.**

3 (a) IN GENERAL.—Chapter 2 of the Truth in Lend-
4 ing Act (15 U.S.C. 1631 et seq.) is amended by adding
5 at the end the following:

6 **“SEC. 140B. UNFAIR CREDIT PRACTICES.**

7 “In connection with the extension of credit or cre-
8 ation of debt in or affecting commerce, as defined in sec-
9 tion 4 of the Federal Trade Commission Act (15 U.S.C.
10 44), including any advance of funds or sale or assignment
11 of future income or receivables that may or may not be
12 credit, no person may take or receive from another person
13 an obligation that constitutes or contains a cognovit or
14 confession of judgment (for purposes other than executory
15 process in the State of Louisiana), warrant of attorney,
16 or other waiver of the right to notice and the opportunity
17 to be heard in the event of suit or process thereon unless
18 such other person has received a disclosure describing

1 such cognovit, confession of judgment, warrant of attor-
2 ney, or other waiver.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
4 The Truth in Lending Act (15 U.S.C. 1601 et seq.) is
5 amended—

6 (1) in section 103, by adding at the end the fol-
7 lowing:

8 “(ff) The term ‘debt’ means any obligation of a per-
9 son to pay to another person money—

10 “(1) regardless of whether such obligation is
11 absolute or contingent if the understanding between
12 the parties is that any part of the money shall be
13 or may be returned;

14 “(2) that includes the right of the person pro-
15 viding the money to an equitable remedy for breach
16 of performance if the breach gives rise to a right to
17 payment; and

18 “(3) regardless of whether the obligation or
19 right to an equitable remedy described in paragraph
20 (2) has been reduced to judgment, fixed, contingent,
21 matured, unmatured, disputed, undisputed, secured,
22 or unsecured.”; and

23 (2) in section 130(a), by striking “creditor”
24 each place the term appears and inserting “person”.

Amend the title so as to read: "A bill To amend the Truth in Lending Act to require certain creditors to provide disclosures for certain waivers of notice and the opportunity to be heard, and for other purposes."

