

Public Law 97-25
97th Congress

An Act

July 27, 1981
[H.R. 31]

To amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

Cash Discount
Act.
15 USC 1601
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cash Discount Act"

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

15 USC 1605.

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, checks, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed clearly and conspicuously."

"Regular price."

SEC. 102. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end thereof the following:

"(z) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account."

15 USC 1602
note.

(b) Effective April 10, 1982—

94 Stat. 169.

(1) subsections (x) and (y) of section 103 of the Truth in Lending Act (as redesignated by section 603(b) of Public Law 96-221) are redesignated as subsections (y) and (z), respectively; and

(2) subsection (z) of such section (as added by subsection (a)) is redesignated as subsection (x) and is inserted after subsection (w).

15 USC 1666f
note.

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

Supra.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Section 3(c)(2) of Public Law 94-222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984."

SEC. 202. Not later than two years after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall prepare a study, on the basis of a review and analysis of such data and studies as it finds appropriate, and shall submit its findings to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the effect of charge card transactions upon card issuers, merchants, and consumers, including to the extent possible—

- (1) the effects of charge card transactions on retail sales;
- (2) the effect of charge card usage on consumers and on merchants, including the effects on merchant cost; and
- (3) the effect of charge card usage on the pricing of goods and services, with a comparison of the costs resulting from payment by (A) currency and coin, (B) by personal check or similar instrument, (C) by in-house credit plans, and (D) by charge card.

Study findings, submittal to congressional committees.
15 USC 1601 note.

TITLE III—MISCELLANEOUS

SEC. 301. Section 625(c) of Public Law 96-221 is amended by adding at the end thereof the following: "Any creditor who elects to comply with such amendments and any assignee of such a creditor shall be subject to the provisions of sections 130 and 131 of the Truth in Lending Act, as amended by sections 615 and 616, respectively, of this title."

94 Stat. 185.
15 USC 1602 note.

SEC. 302. Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended by adding at the end thereof the following new paragraph: "Notwithstanding any other provision of this section, any national banking association which, on the date of enactment of this paragraph, held title to and possession of real estate which was carried on the association's books at a nominal value on December 31, 1979, may continue to hold such real estate until December 31, 1982, if the earnings from such real estate are separately disclosed in the financial statements of the association."

94 Stat. 180, 182.
15 USC 1640, 1641.
94 Stat. 186.

SEC. 303. (a) Section 204 of the Public Health Service Act is amended by inserting after the first sentence the following new sentence: "The President may appoint to the office of Surgeon General an individual who is sixty-four years of age or older."

Presidential appointee.
42 USC 205.

(b) Section 211(a)(1) of such Act is amended by adding at the end thereof the following new sentence: "This paragraph does not apply to the Surgeon General of the United States."

42 USC 212.

Approved July 27, 1981.

LEGISLATIVE HISTORY—H.R. 31 (H.R. 3132) (S. 414):

HOUSE REPORT No. 97-159 (Comm. of Conference).

SENATE REPORT No. 97-23 accompanying S. 414 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Feb. 24, considered and passed House.

Mar. 5, S. 414 considered in Senate.

Mar. 12, considered and passed Senate, amended, in lieu of S. 414.

May 4, H.R. 3132 considered and passed House.

May 20, June 24, House considered and agreed to conference report.

July 14, Senate agreed to conference report.