



H.R. 3299: Protecting Consumers' Access to Credit Act of 2017 (Rep. McHenry, R-NC)

CONTACT: [Matt Dickerson](#), 202-226-9718

FLOOR SCHEDULE:

Expected to be considered February 14, 2018, under a [closed rule](#).

The rule also provides for consideration of H.R. 3978, the TRID Improvement Act of 2017, and H.R. 620, the ADA Education and Reform Act of 2017.

TOPLINE SUMMARY:

[H.R. 3299](#) would codify the legal doctrine of “valid when made,” to preserve the interest rate on a loan originated by a bank, even if the loan is sold, assigned, or transferred to a nonbank third party, overturning a court decision by the Second Circuit Court of Appeals.

COST:

The [Congressional Budget Office](#) (CBO) estimates that “enacting H.R. 3299 would have no effect on the federal budget.”

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

The Second Circuit Court of Appeals ruled in a 2015 decision (*Madden v. Midland Funding, LLC*) that “while the National Bank Act (NBA) allowed a federally chartered bank to charge interest under the laws of its home state on loans it makes nationwide, non-banks that bought those loans could not continue to collect that interest because non-banks are generally subject to the limits of the borrower’s state.”

H.R. 3299 would overturn the Second Circuit’s ruling and would codify the legal doctrine of “valid when made,” to preserve the interest rate on a loan originated by a bank, even if the loan is sold, assigned, or transferred to a nonbank third party.

OUTSIDE GROUP SUPPORT:

- [National Federation of Independent Business](#).

- [National Small Business Association.](#)
- [Small Business Entrepreneurship Council.](#)
- [Innovative Lending Platform Association.](#)
- [Marketplace Lending Association.](#)
- [Financial Innovation Now.](#)
- [Financial Services Roundtable.](#)
- [Independent Community Bankers of America.](#)
- [American Bankers Association.](#)
- [Consumer Bankers Association.](#)
- [Clearing House Association.](#) and
- [U.S. Chamber of Commerce.](#)

COMMITTEE ACTION:

H.R. 3299 was introduced on July 19, 2017, and referred to the House Financial Services Committee. The Committee marked up and reported the bill on November 15, 2017, by a 42 – 17 vote.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence . . . of the United States; but all Duties, Imposts, and Excises shall be uniform throughout the United States.”

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