

**FRANK 002  
(REVISED)**

**AMENDMENT TO THE DISCUSSION DRAFT OF  
SEPTEMBER 25, 2009 [H.R. 3126]  
OFFERED BY MR. FRANK OF MASSACHUSETTS**

Page 67, strike line 3 and all that follows through page 68, line 4, and insert the following new subsection:

1 (a) EXCLUSION FOR MERCHANTS, RETAILERS, AND  
2 SELLERS OF NONFINANCIAL SERVICES.—

3 (1) IN GENERAL.—Notwithstanding any provi-  
4 sion of this title (other than paragraph (4)) and sub-  
5 ject to paragraph (2), the Director and the Agency  
6 may not exercise any rulemaking, supervisory, en-  
7 forcement or other authority, including authority to  
8 order assessments, under this title with respect to—

9 (A) credit extended directly by a merchant,  
10 retailer, or seller of nonfinancial services to a  
11 consumer, in a case in which the good or service  
12 being provided is not itself a consumer financial  
13 product or services, exclusively for the purpose  
14 of enabling that consumer to purchase goods or  
15 services directly from the merchant, retailer, or  
16 seller of nonfinancial services; or

1 (B) collection of debt, directly by the mer-  
2 chant, retailer, or seller of nonfinancial services,  
3 arising from such credit extended.

4 (2) EXCEPTION FOR EXISTING AUTHORITY.—

5 The Director may exercise any rulemaking authority  
6 regarding an extension of credit described in para-  
7 graph (1)(A) or the collection of debt arising from  
8 such extension, as may be authorized by the enumer-  
9 ated consumer laws or any law or authority trans-  
10 ferred under subtitle F or H.

11 (3) RULE OF CONSTRUCTION.—No provision of  
12 this title shall be construed as modifying, limiting,  
13 or superseding the authority of the Federal Trade  
14 Commission or any other agency with respect to  
15 credit extended, or the collection of debt arising  
16 from such extension, directly by a merchant, retailer,  
17 or seller of nonfinancial services to a consumer ex-  
18 clusively for the purpose of enabling that consumer  
19 to purchase goods or services directly from the mer-  
20 chant, retailer, or seller of nonfinancial services.

21 (4) EXCLUSION NOT APPLICABLE TO CERTAIN  
22 CREDIT TRANSACTIONS.—Paragraph (1) shall not  
23 apply to—

24 (A) any credit transaction, including the  
25 collection of the debt arising from such exten-

1 sion, in which the merchant, retailer, or seller  
2 of nonfinancial services assigns, sells, or other-  
3 wise conveys such debt owed by the consumer  
4 to another person; or

5 (B) any credit transaction—

6 (i) in which the credit provided, <sup>significantly</sup> ex-  
7 ceeds the market value of the product or  
8 service provided, ~~or~~ *and*

9 (ii) with respect to which the Director  
10 finds that the sale of the product or service  
11 is done as a subterfuge so as to evade or  
12 circumvent the provisions of this title.

*significantly*  
*uc*  
*by*  
*Frank*

