

**AMENDMENT TO H.R. 3915, AS REPORTED  
OFFERED BY MRS. MALONEY OF NEW YORK**

Page 66, after line 3, insert the following new paragraph (and redesignate the subsequent paragraph accordingly):

1           “(2) PHASED-OUT PENALTIES ON QUALIFIED  
2           MORTGAGES.—A qualified mortgage (as defined in  
3           subsection (c)) may not contain terms under which  
4           a consumer must pay a prepayment penalty for pay-  
5           ing all or part of the principal after the loan is con-  
6           summated in excess of the following limitations:

7                   “(A) During the 1-year period beginning  
8                   on the date the loan is consummated, the pre-  
9                   payment penalty shall not exceed an amount  
10                  equal to 3 percent of the outstanding balance  
11                  on the loan.

12                   “(B) During the 1-year period beginning  
13                   after the period described in subparagraph (A),  
14                   the prepayment penalty shall not exceed an  
15                   amount equal to 2 percent of the outstanding  
16                   balance on the loan.

17                   “(C) During the 1-year period beginning  
18                   after the 1-year period described in subpara-

1 graph (B), the prepayment penalty shall not ex-  
2 ceed an amount equal to 1 percent of the out-  
3 standing balance on the loan.

4 “(D) After the end of the 3-year period be-  
5 ginning on the date the loan is consummated,  
6 no prepayment penalty may be imposed on a  
7 qualified mortgage.”.

Page 66, after line 11, insert the following new  
paragraph:

8 “(4) OPTION FOR NO PREPAYMENT PENALTY  
9 REQUIRED.—A creditor may not offer a consumer a  
10 residential mortgage loan product that has a prepay-  
11 ment penalty for paying all or part of the principal  
12 after the loan is consummated as a term of the loan  
13 without offering the consumer a residential mort-  
14 gage loan product that does not have a prepayment  
15 penalty as a term of the loan.”.