

**AMENDMENT TO H.R. 3915, AS REPORTED**  
**OFFERED BY MS. SUTTON OF OHIO**

After section 211, insert the following new section  
(and redesignate the subsequent sections accordingly):

1 **SEC. 212. 6-MONTH NOTICE REQUIRED BEFORE RESET OF**  
2 **HYBRID ADJUSTABLE RATE MORTGAGES.**

3 (a) IN GENERAL.—Chapter 2 of the Truth in Lend-  
4 ing Act (15 U.S.C. 1631 et seq.) is amended by inserting  
5 after section 128 the following new section:

6 **“§ 128A. Reset of hybrid adjustable rate mortgages**

7 “(a) HYBRID ADJUSTABLE RATE MORTGAGES DE-  
8 FINED.—For purposes of this section, the term ‘hybrid ad-  
9 justable rate mortgage’ means a consumer credit trans-  
10 action secured by the consumer’s principal residence with  
11 a fixed interest rate for an introductory period that ad-  
12 justs or resets to a variable interest rate after such period.

13 “(b) NOTICE OF RESET AND ALTERNATIVES.—Dur-  
14 ing the 1-month period that ends 6 months before the date  
15 on which the interest rate in effect during the introductory  
16 period of a hybrid adjustable rate mortgage adjusts or  
17 resets to a variable interest rate, the creditor or servicer  
18 of such loan shall provide a written notice, separate and

1 distinct from all other correspondence to the consumer,  
2 that includes the following:

3           “(1) Any index or formula used in making ad-  
4           justments to or resetting the interest rate and a  
5           source of information about the index or formula.

6           “(2) An explanation of how the new interest  
7           rate and payment would be determined, including an  
8           explanation of how the index was adjusted, such as  
9           by the addition of a margin.

10           “(3) A good faith estimate, based on accepted  
11           industry standards, of the creditor or servicer of the  
12           amount of the monthly payment that will apply after  
13           the date of the adjustment or reset, and the assump-  
14           tions on which this estimate is based.

15           “(4) A list of alternatives consumers may pur-  
16           sue before the date of adjustment or reset, and de-  
17           scriptions of the actions consumers must take to  
18           pursue these alternatives, including—

19                   “(A) refinancing;

20                   “(B) renegotiation of loan terms;

21                   “(C) payment forbearances; and

22                   “(D) pre-foreclosure sales.

23           “(5) The names, addresses, telephone numbers,  
24           and Internet addresses of counseling agencies or  
25           programs reasonably available to the consumer that

1 have been certified or approved and made publicly  
2 available by the Secretary of Housing and Urban  
3 Development or a State housing finance authority  
4 (as defined in section 1301 of the Financial Institu-  
5 tions Reform, Recovery, and Enforcement Act of  
6 1989).

7 “(6) The address, telephone number, and Inter-  
8 net address for the State housing finance authority  
9 (as so defined) for the State in which the consumer  
10 resides.”.

11 (b) CLERICAL AMENDMENT.—The table of sections  
12 for chapter 2 of the Truth in Lending Act is amended  
13 by inserting after the item relating to section 128 the fol-  
14 lowing new item:

“128A. Reset of hybrid adjustable rate mortgages.”.