111TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { 111–98

PROVIDING FOR FURTHER CONSIDERATION OF THE BILL (H.R. 1728) TO AMEND THE TRUTH IN LENDING ACT TO REFORM CONSUMER MORTGAGE PRACTICES AND PROVIDE ACCOUNTABILITY FOR SUCH PRACTICES, TO PROVIDE CERTAIN MINIMUM STANDARDS FOR CONSUMER MORTGAGE LOANS, AND FOR OTHER PURPOSES

MAY 6, 2009.—Referred to the House Calendar and ordered to be printed

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Mr. CARDOZA, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 406]

The Committee on Rules, having had under consideration House Resolution 406, by a record vote of 9–4, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for further consideration of H.R. 1728, the "Mortgage Reform and Anti-Predatory Lending Act," under a structured rule. The resolution provides that no general debate shall be in order pursuant to this resolution. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. The resolution waives all points of order against the amendment in the nature of a substitute except for clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).

The resolution makes in order only those amendments printed in this report. The amendments made in order may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. All points of order against the amendments except for clauses 9 and 10 of rule XXI are waived. The resolution provides one motion to recommit with or without instructions.

79–008

EXPLANATION OF WAIVERS

Although the rule waives all points of order against the amendment in the nature of a substitute (except for clause 10 of rule XXI), the Committee is not aware of any points of order. The waiver of all points of order is prophylactic.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 80

Date: May 6, 2009.
Measure: H.R. 1728.
Motion by: Mr. Dreier.
Summary of motion: To make in order and provide appropriate waivers for an amendment by Reps. Garrett (NJ) and McHenry (NC), #5, which would require the Federal banking agencies to prescribe risk-retention regulations on creditors that make residential mortgage loans that are not qualified mortgages.
Results: Defeated 4–7.
Vote by Members: Hastings—Nay; Matsui—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

Rules Committee record vote No. 81

Date: May 6, 2009.
Measure: H.R. 1728.
Motion by: Mr. Diaz-Balart.
Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hensarling (TX), #30, which would require consumers, if they file a lawsuit under this bill and lose, to pay legal costs for mortgage originators, creditors, assignees and securitizers.
Results: Defeated 4–7.
Vote by Members: Hastings—Nay; Matsui—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

Rules Committee record vote No. 82

Date: May 6, 2009.
Measure: H.R. 1728.
Motion by: Mr. Diaz-Balart.
Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Manzullo (IL), #40, which would place a 12-month moratorium on the implementation of the Home Valuation Code of Conduct and require the Federal Housing Finance Authority to promulgate regulations for the GSEs to enhance the independence and accuracy of the appraisal process, and provide added protections to homebuyers, mortgage investors, and the housing market.
Results: Defeated 5–6.

Vote by Members: Hastings—Nay; Matsui—Nay; Arcuri—Nay; Perlmutter—Yea; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

Rules Committee record vote No. 83

Date: May 6, 2009.
Measure: H.R. 1728.
Motion by: Mr. Sessions.
Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Sessions (TX), #13, which would limit the award of attorney's fees to an hourly fee, as determined by the court, and would prevent contingency fee agreements for attorneys for legal actions brought under this bill.
Results: Defeated 4–9.
Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

Rules Committee record vote No. 84

Date: May 6, 2009.
Measure: H.R. 1728.
Motion by: Dr. Foxx.
Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hensarling (TX), #31, which would provide funding for HUD to investigate suspected instances of lender and borrower mortgage fraud, which would be offset by eliminating funding for taxpayer-subsidized lawsuits.
Results: Defeated 4–9.
Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

Rules Committee record vote No. 85

Date: May 6, 2009.
Measure: H.R. 1728.
Motion by: Dr. Foxx.
Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hensarling (TX), #32, which would prevent funds from the HOPE for Homeowners or any TARP-funded program from being used to subsidize any new non-qualified loans made by lenders under this bill.
Results: Defeated 4–9.
Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

Rules Committee record vote No. 86

Date: May 6, 2009.
Measure: H.R. 1728.
Motion by: Mr. Hastings (FL).
Summary of motion: To report the rule.
Results: Adopted 9–4.

Vote by Members: McGovern—Yea; Hastings—Yea; Matsui—Yea; Cardoza—Yea; Arcuri—Yea; Perlmutter—Yea; Pingree—Yea; Polis—Yea; Dreier—Nay; Diaz-Balart—Nay; Sessions—Nay; Foxx—Nay; Slaughter—Yea.

SUMMARY OF AMENDMENTS TO BE MADE IN ORDER

(Summaries derived from information provided by sponsors.)

1. Frank (MA) Would add additional prohibitions on mortgage originator conduct within the anti-steering section of the bill; would provide that regulations proposed or issued pursuant to the requirements of Section 106 shall include "model" disclosure forms, and would also provide that the relevant financial regulators (HUD/Fed) may develop "standardized" disclosure forms, and may require their use, when they jointly determine that use of a standardized form would be of substantial benefit to consumers; would require a study into how shared appreciation mortgages could be used to strengthen housing markets and provide opportunities for affordable homeownership; would allow creditors to consider a consumer's good standing with them above other credit history considerations in refinancing of hybrid loans; would require lenders who are subject to the Federal Truth in Lending Act or the Homeowners Equity Protection Act to disclose to borrowers that the antideficiency protections of the initial residential mortgage loan may be lost when a non-purchase money loan is received; would require creditors to disclose their policy regarding the acceptance of partial payments for a residential mortgage loan; would modify preemption language in section 208 (b) to include any state that has a law at the time of enactment; would provide disclosure of the total cost of the mortgage over the life of the loan; would require that mortgage disclosures for each billing cycle include contact information for local mortgage counseling agencies or programs approved by the Secretary of HUD or a state housing finance authority; would direct the GAO to analyze the effectiveness of the risk-retention provisions of this bill and make recommendations to Congress as needed; would require a property owner to notify any tenants or potential tenants upon becoming subject to foreclosure, or defaulting on their mortgage loan; would prohibit third parties from charging fees to consumers for mortgage modifications unless these actions result in a benefit to the consumer; would clarify that the Office of Housing Counseling, in providing rules for building of capacity to provide housing counseling services in areas that lack sufficient services, should consider underdeveloped areas that lack basic water and sewer systems, electricity and safe, sanitary housing; would amend the Office of Housing Counseling homeownership counseling criteria to include flood or other disaster specific insurance in applicable regions; would require energy efficient mortgage loans, pursuant to section 106 of the Energy Policy Act of 1992, to be covered by the Office of Housing Counseling; would ensure adequate distribution of counseling funds for rural areas, including areas with insufficient access to the Internet; would require the Secretary of HUD to establish and make publicly available a national database of mortgage default and foreclosure statistics; would include in the study by the Secretary of HUD into the causes of the default and foreclosure crisis an examination of the role of the Mortgage Electronic Registry System (MERS) in initiating fore-

closures; would clarify, in reference to the general prohibition on using broker price opinions to value a mortgage, that such a statutory ban should only apply to loan originations done in conjunction with a mortgage purchase; would require the GAO to conduct a study on current inter-agency efforts by the Treasury Department, Department of Housing and Urban Development, Justice Department, and the Federal Trade Commission to end and prevent mortgage foreclosure rescue scams and loan modification fraud; would establish a multifamily loan modification program for multifamily properties that are delinquent, at risk of default or disinvestment, or in foreclosure to ensure the protection of current and future tenants; and would make a number of technical and conforming changes. (30 minutes)

2. Frank (MA) Would provide that no funds in this bill for legal assistance or housing counseling grants may be distributed to any organization which has been or which employs an individual who has been convicted within 10 years of the date of applying for legal assistance for a felony violation under Federal law relating to an election for Federal office. (10 minutes)

3. Bachus, Spencer (AL) Would provide assistance to the Neighborhood Reinvestment Corporation for activities, in connection with servicers of residential mortgage loans, to inform borrowers under such loans who are delinquent with respect to payments due under such loans of the dangers of fraudulent activities associated with foreclosure. (10 minutes)

4. Perlmutter (CO) Would reduce the grace period for renters renting a unit in violation of a mortgage contract when that property is sold to a purchaser who intends to use such property as an owner-occupied unit from 90 days to 30 days. Additionally, creditors may only accelerate debt repayment in certain circumstances. (10 minutes)

5. Hensarling (TX) Would strike the assignee and securitizer liability provisions from the bill. (10 minutes)

6. Moore, Dennis (KS)/Kratovil (MD)/Kilroy (OH) Would require income to be verified by lenders utilizing IRS tax transcripts or similar methods that verify income by a third party. (10 minutes)

7. Price, Tom (GA) Would delay the enactment of titles I, II, and III of the bill until the Federal Reserve certifies that they will not reduce the availability or increase the price of credit for qualified mortgages. (10 minutes)

8. McNerney (CA) Would stipulate that when awarding assistance to HUD-approved housing counseling agencies and/or state housing finance agencies, the Secretary may give priority consideration to entities serving areas with high rates of foreclosure. (10 minutes)

9. McHenry (NC) Would strike title III from the bill relating to high-cost mortgages. (10 minutes)

10. Dahlkemper (PA) Would require that benefits of pre-payment of mortgage balances be explained in the consumer education guide produced by HUD. (10 minutes)

11. Brown-Waite (FL) Would expand the scope of the GAO study required under this act to include an examination of any effects on consumer and small business credit availability and affordability. (10 minutes)

12. Titus (NV)/Cardoza (CA) Would require that the costs and benefits of each residential mortgage loan offered, discussed or referred to by the originator be clearly presented side by side and that the disclosures for each product have equal prominence. Would require that disclosure be made in writing, the understanding of which will be acknowledged by the signature of the mortgage originator and consumer. (10 minutes)

13. Diaz-Balart, Mario (FL)/Wexler (FL) Would require the Secretary of HUD to study the effects of the presence of Chinese dry wall on foreclosures and the availability of property insurance for residential structures where Chinese dry wall is present. (10 minutes)

14. Weiner (NY) Would require Fannie Mae and Freddie Mac to take into account factors such as the health of the local or regional housing market and other factors when determining fee schedules, occupancy and pre-sale guidelines for condominium and cooperative housing mortgages. (10 minutes)

TEXT OF AMENDMENTS TO BE MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FRANK OF MASSACHUSETTS, OR HIS DESIGNEE, DEBATABLE FOR 30 MINUTES

In section 103(cc)(2) of the Truth in Lending Act (as added by section 101 of the bill), insert at the end the following: "All rule writing by the 'Federal banking agencies' as designated by the Mortgage Reform and Anti-Predatory Lending Act will be coordinated through the Financial Institutions Examination Council in consultation with the Chairman of the State Liaison Committee.".

In section 103(cc)(3)(C) of the Truth in Lending Act (as added by section 101 of the bill), insert before the semicolon the following: "and who does not advise a consumer on loan terms (including rates, fees, and other costs)".

In section 103(cc)(3) of the Truth in Lending Act (as added by section 101 of the bill)—

(1) in subparagraph (D), strike the final "and";

(2) in subparagraph (E), strike the period at the end and insert "; and"; and

(3) add at the end the following:

"(F) does not include a servicer or servicer employees, agents and contractors, including but not limited to those who offer or negotiate terms of a residential mortgage loan for purposes of renegotiating, modifying, replacing and subordinating principal of existing mortgages where borrowers are behind in their payments, in default or have a reasonable likelihood of being in default or falling behind.".

In section 103(cc)(6) of the Truth in Lending Act (as added by section 101 of the bill), strike "128(a)(f) and 128(b)(4)" and insert "and 128(f)".

In section 129B(b)(4)(A) of the Truth in Lending Act (as added by section 102 of the bill), strike ", the Chairman of the State Liaison Committee to the Financial Institutions Examination Council,".

In section 129B(c) of the Truth in Lending Act (as added by section 103 of the bill), insert after paragraph (1) the following (and redesignate succeeding paragraphs accordingly):

"(2) RESTRUCTURING OF FINANCING ORIGINATION FEE.—

"(A) IN GENERAL.—For any mortgage loan, a mortgage originator may not arrange for a consumer to finance through rate any origination fee or cost except bona fide third party settlement charges not retained by the creditor or mortgage originator.

"(B) EXCEPTION.—Notwithstanding paragraph subparagraph (A), a mortgage originator may arrange for a consumer to finance through rate an origination fee or cost if—

"(i) the mortgage originator does not receive any other compensation from the consumer except the compensation that is financed through rate; and

"(ii) the mortgage is a qualified mortgage.".

In section 129B(c)(2) of the Truth in Lending Act (as added by section 103 of the bill)—

(1) in subparagraph (C), strike the final "and";

(2) in subparagraph (D), strike the period and insert "; and"; and

(3) add at the end the following new subparagraph:

"(E) mortgage originators from—

"(i) mischaracterizing the credit history of a consumer or the residential mortgage loans available to a consumer;

"(ii) mischaracterizing or suborning the mischaracterization of the appraised value of the property securing the extension of credit; or

"(iii) if unable to suggest, offer, or recommend to a consumer a loan that is not more expensive than a loan for which the consumer qualifies, discouraging a consumer from seeking a home mortgage loan secured by a consumer's principal dwelling from another mortgage originator.".

In section 129B(c)(3)(D) of the Truth in Lending Act (as added by section 103 of the bill), strike "rate or".

In section 129B(e)(1) of the Truth in Lending Act (as added by section 105 of the bill), insert after "standards" the following: "necessary or proper to ensure that responsible, affordable mortgage credit remains available to consumers in a manner consistent with the purposes of this section and section 129B,".

Section 106 is amended by inserting after subsection (e) the following new subsection:

(f) STANDARDIZED DISCLOSURE FORMS.—

(1) IN GENERAL.—Any regulations proposed or issued pursuant to the requirements of this section shall include model disclosure forms.

(2) OPTION FOR MANDATORY USE.—In issuing proposed regulations under subsection (a), the Secretary of Housing and Urban Development and the Board of Governors of the Federal Reserve System shall include regulations for the mandatory use of standardized disclosure forms if they jointly determine that it would substantially benefit the consumer.

At the end of title I, add the following new section:

SEC. 107. STUDY OF SHARED APPRECIATION MORTGAGES.

(a) STUDY.—The Secretary of Housing and Urban Development, in consultation with the Secretary of the Treasury and other rel-

evant agencies, shall conduct a comprehensive study to determine prudent statutory and regulatory requirements sufficient to provide for the widespread use of shared appreciation mortgages to strengthen local housing markets, provide new opportunities for affordable homeownership, and enable homeowners at-risk of foreclosure to refinance or modify their mortgages.

(b) REPORT.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress on the results of the study, which shall include recommendations for the regulatory and legislative requirements referred to in subsection (a).

In paragraph (4) of section 129C(a) of the Truth in Lending Act (as added by section 201(a) of the bill), insert after subparagraph (D) the following new subparagraph:

"(E) REFINANCE OF HYBRID LOANS WITH CURRENT LENDER.—In considering any application for refinancing an existing hybrid loan by the creditor into a standard loan to be made by the same creditor in any case in which the sole net-tangible benefit to the mortgagor would be a reduction in monthly payment and the mortgagor has not been delinquent on any payment on the existing hybrid loan, the creditor may—

"(i) consider the mortgagor's good standing on the existing mortgage;

"(ii) consider if the extension of new credit would prevent a likely default should the original mortgage reset and give such concerns a higher priority as an acceptable underwriting practice; and

"(iii) offer rate discounts and other favorable terms to such mortgagor that would be available to new customers with high credit ratings based on such underwriting practice.".

In section 129C(a)(4)(D)(ii) of the Truth in Lending Act (as added by section 201 of the bill), strike "the contract's repayment schedule shall be used in this calculation" and insert the following: "the calculation shall be made (I) in accordance with regulations prescribed by the Federal banking agencies, with respect to any loan which has an annual percentage rate that does not exceed the average prime offer rate for a comparable transaction, as of the date the interest rate is set, by 1.5 or more percentage points for a first lien residential mortgage loan; and by 3.5 or more percentage points for a subordinate lien residential mortgage loan; or (II) using the contract's repayment schedule, with respect to a loan which has an annual percentage rate, as of the date the interest rate is set, that is at least 1.5 percentage points above the average prime offer rate for a first lien residential mortgage loan; and 3.5 percentage points above the average prime offer rate for a subordinate lien residential mortgage loan".

In section 129C(c)(2)(A)(iv)(I) of the Truth in Lending Act (as added by section 203 of the bill)—

(1) strike "does not exceed" and insert "is equal to or less than"; and

(2) strike the final "and".

In section 129C(c)(2)(A)(iv)(II) of the Truth in Lending Act (as added by section 203 of the bill)—

(1) strike "exceeds" and insert "is more than"; and

(2) strike the semicolon on the end and insert "; and".

In section 129C(c)(2)(A)(iv) of the Truth in Lending Act (as added by section 203 of the bill), add at the end the following:

"(III) by 3.5 or more percentage points, in the case of a subordinate lien residential mortgage loan;".

In section 129C(c) of the Truth in Lending Act (as added by section 203 of the bill), in the header of paragraph (3), after "rate" insert the following: "and APR thresholds".

In section 129C(c)(3) of the Truth in Lending Act (as added by section 203 of the bill)—

(1) in subparagraph (A), strike the final "and";

(2) in subparagraph (B), strike the period and insert "; and"; and

(3) add at the end the following:

"(C) shall adjust the thresholds of 1.50 percentage points in paragraph (2)(A)(iv)(I), 2.50 percentage points in paragraph (2)(A)(iv)(II), and 3.50 percentage points in paragraph (2)(A)(v)(III), as necessary to reflect significant changes in market conditions and to effectuate the purposes of the Mortgage Reform and Anti-Predatory Lending Act.".

In section 129C(c)(4)(B)(i) of the Truth in Lending Act (as added by section 203 of the bill), after "are" insert the following: "necessary or proper to ensure that responsible, affordable mortgage credit remains available to consumers in a manner consistent with the purposes of this section,".

In section 129C(c)(4)(B)(ii) of the Truth in Lending Act (as added by section 203 of the bill), after "shall" insert the following: ", in consultation with the Federal banking agencies,".

In section 129C(d)(1)(B) of the Truth in Lending Act (as added by section 204 of the bill), strike "creditor provides" and insert "creditor, acting in good faith,".

In section 129C(d)(3) of the Truth in Lending Act (as added by section 204 of the bill), strike "and (b) shall" and insert "and (b), consistent with reasonable due diligence practices prescribed by the Federal banking agencies, shall".

In section 129C(d)(10) of the Truth in Lending Act (as added by section 204 of the bill)—

(1) in the header, strike "Pools and" and insert "Trustees, pools, and"; and

(2) insert before "the pools of such loans" the following: "any trustee that holds such loans solely for the benefit of the securitization vehicle,".

In section 129C(g)(2) of the Truth in Lending Act (as added by section 205 of the bill), after "designees," insert the following: "subject to the rights of the consumer described in this subsection,".

In section 129C(h) of the Truth in Lending Act (as added by section 206 of the bill), strike paragraph (3) (and redesignate succeeding paragraphs accordingly).

In section 206, insert at the end the following new subsections:

(c) PROTECTION AGAINST LOSS OF ANTI-DEFICIENCY PROTECTION.—Section 129C of the Truth in Lending Act is amended by inserting after subsection (k) (as added by subsection (a) of this section) the following new subsection (and designated succeeding subsections accordingly):

"(l) PROTECTION AGAINST LOSS OF ANTI-DEFICIENCY PROTECTION.—

"(1) DEFINITION.—For purposes of this subsection, the term 'anti-deficiency law' means the law of any State which provides that, in the event of foreclosure on the residential property of a consumer securing a mortgage, the consumer is not liable, in accordance with the terms and limitations of such State law, for any deficiency between the sale price obtained on such property through foreclosure and the outstanding balance of the mortgage.

"(2) NOTICE AT TIME OF CONSUMMATION.—In the case of any residential mortgage loan that is, or upon consummation will be, subject to protection under an anti-deficiency law, the creditor or mortgage originator shall provide a written notice to the consumer describing the protection provided by the anti-deficiency law and the significance for the consumer of the loss of such protection before such loan is consummated.

"(3) NOTICE BEFORE REFINANCING THAT WOULD CAUSE LOSS OF PROTECTION.—In the case of any residential mortgage loan that is subject to protection under an anti-deficiency law, if a creditor or mortgage originator provides an application to a consumer, or receives an application from a consumer, for any type of refinancing for such loan that would cause the loan to lose the protection of such anti-deficiency law, the creditor or mortgage originator shall provide a written notice to the consumer describing the protection provided by the anti-deficiency law and the significance for the consumer of the loss of such protection before any agreement for any such refinancing is consummated.".

(d) POLICY REGARDING ACCEPTANCE OF PARTIAL PAYMENT.—Section 129C of the Truth in Lending Act is amended by inserting after subsection (l) the following new subsection (and redesignating subsequent subsections of such section accordingly):

"(m) POLICY REGARDING ACCEPTANCE OF PARTIAL PAYMENT.—In the case of any residential mortgage loan, a creditor shall disclose prior to settlement or, in the case of a person becoming a creditor with respect to an existing residential mortgage loan, at the time such person becomes a creditor—

"(1) the creditor's policy regarding the acceptance of partial payments; and

"(2) if partial payments are accepted, how such payments will be applied to such mortgage and if such payments will be placed in escrow;".

In section 208(b)—

(1) in paragraph (3)(B), strike the final "or";

(2) in paragraph (4), strike the period on the end and insert "; or"; and

(3) add at the end the following new paragraph:

(5) notwithstanding paragraph (2), the availability of any remedies under State law against any assignee, securitizer or securitization vehicle that—

(A) are in addition to those remedies provided for in section 129C; and

(B) were in effect on the date of enactment of this Act.

In section 129C(l)(1) of the Truth in Lending Act (as added by section 213 of the bill), strike "in section" and insert "under section".

In section 129C(l)(2)(B) of the Truth in Lending Act (as added by section 213 of the bill)—

(1) strike "prohibit creditors" and insert "prohibit a creditor"; and

(2) strike "creditors are required" and insert "such creditor is required".

In section 129C(l)(2)(C) of the Truth in Lending Act (as added by section 213 of the bill)—

(1) strike "require creditors" and insert "require a creditor"; and

(2) insert before the semicolon the following: "by such creditor".

In section 129C(l)(3)(A) of the Truth in Lending Act (as added by section 213 of the bill), after "authority to" insert the following: "jointly".

In section 129C(l)(3)(B)(i) of the Truth in Lending Act (as added by section 213 of the bill), strike "mortgage lenders" and insert "creditors that make residential mortgage loans that are not qualified mortgages".

In section 129C(l)(3)(B)(ii) of the Truth in Lending Act (as added by section 213 of the bill), strike "mortgage lenders" and insert "such creditors".

In section 129C(l)(4) of the Truth in Lending Act (as added by section 213 of the bill)—

(1) in the heading, strike "securitization sponsors" and insert "securitizers";

(2) strike "agencies shall have discretion to" and insert "agencies may jointly, in their discretion,";

(3) strike "non-qualified mortgages in addition to or in place of creditors that make non-qualified mortgages if the agencies determine that applying the requirements to securitization sponsors rather than originators" and insert "residential mortgages (or particular types of residential mortgages) that are not qualified mortgages in addition to or in substitution for any or all of the requirements that apply to creditors that make such mortgages if the agencies jointly determine that applying the requirements to such securitizers";

(4) in subparagraph (A), strike "mortgage lenders" and insert "creditors of residential mortgage loans that are not qualified mortgages"; and

(5) in subparagraph (B)—

(A) strike "mortgage lenders, or" and insert "such creditors,"; and

(B) before the period, insert ", or otherwise serve the public interest".

After section 128(a)(18) of the Truth in Lending Act (as added by section 214(a) of the bill) add the following:

"(19) In the case of a residential mortgage loan, the total amount of interest that the consumer will pay over the life of the loan as a percentage of the principal of the loan. Such amount shall be computed assuming the consumer makes each monthly payment in full and on-time, and does not make any over-payments.".

Strike section 214(b).

In subsection (f)(1) of section 128 of the Truth in Lending Act (as added by section 215 of the bill), insert after subparagraph (F) the following new subparagraph (and redesignate the subsequent subparagraph accordingly):

"(G) The names, addresses, telephone numbers, and Internet addresses of counseling agencies or programs reasonably available to the consumer that have been certified or approved and made publicly available by the Secretary of Housing and Urban Development or a State housing finance authority (as defined in section 1301 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989).".

In subsection (c) of section 218, insert ", including an analysis of the exceptions and adjustments authorized in section 129C(l)(3)(A) of the Truth in Lending Act and a recommendation on whether a uniform standard is needed" before the period at the end.

At the end of section 218, insert the following new subsection:

(d) ANALYSIS OF CREDIT RISK RETENTION PROVISIONS.—The report required by subsection (b) shall also include—

(1) an analysis by the Comptroller General of whether the credit risk retention provisions have significantly reduced risks to the larger credit market of the repackaging and selling of securitized loans on a secondary market; and

(2) recommendations to the Congress on adjustments that should be made, or additional measures that should be undertaken.

In section 130(e) of the Truth in Lending Act (as amended by section 219 of the bill), strike "section 219" and insert "section 220".

In section 220 of the bill, insert after subsection (b) the following new subsection (and redesignate succeeding subsections accordingly):

(c) LANDLORD NOTICE TO TENANTS.—Notwithstanding the law of any State or the terms of any consumer residential lease, each person who owns a dwelling or residential real property—

(1) which is leased to a bona fide tenant (including a tenancy terminable at will), or which the landlord offers to lease to a prospective tenant; and

(2) which, pursuant to the terms of a valid loan to such person which is secured by such dwelling or property, is or becomes subject to foreclosure or with respect to which the person is in default,

shall promptly notify any such tenant or prospective tenant of the circumstances prevailing with respect to such property and the effect of any such default or foreclosure. The requirements of this subsection shall have no effect on any State or local law that provides additional notice or other additional protections for tenants.

In section 103(aa)(4)(B) of the Truth in Lending Act (as amended by section 301(c) of the bill)—

(1) strike "broker" and insert "originator"; and

(2) strike "the originator" and insert "the creditor".

In section 103(dd) of the Truth in Lending Act (as added by section 301(d) of the bill)—

(1) in the header, strike "and prepayment penalties";

(2) in the matter preceding paragraph (1)—

(A) strike "(4)" and insert "(2)"; and

(B) strike "may" and insert "shall";

(3) redesignate paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(4) in paragraph (4), as redesignated by paragraph (3), strike "paragraph (1)" and insert "paragraphs (1) and (2)"; and

(5) strike paragraph (1) and insert the following:

"(1) Up to and including 2 bona fide discount points payable by the consumer in connection with the mortgage, but only if the interest rate from which the mortgage's interest rate will be discounted does not exceed by more than 1 percentage point—

"(A) the required net yield for a 90-day standard mandatory delivery commitment for a reasonably comparable loan from either the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greater; or

"(B) if secured by a personal property loan, the average rate on a loan in connection with which insurance is provided under title I of the National Housing Act (12 U.S.C. 1702 et seq.).

"(2) Unless 2 bona fide discount points have been excluded under paragraph (1), up to and including 1 bona fide discount point payable by the consumer in connection with the mortgage, but only if the interest rate from which the mortgage's interest rate will be discounted does not exceed by more than 2 percentage points—

"(A) the required net yield for a 90-day standard mandatory delivery commitment for a reasonably comparable loan from either the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greater; or

"(B) if secured by a personal property loan, the average rate on a loan in connection with which insurance is provided under title I of the National Housing Act (12 U.S.C. 1702 et seq.).".

In subsection (r) of section 129 of the Truth in Lending Act, as added by section 303(c) of the bill, strike "DEFERRAL FEES PROHIBITED.—A creditor" and insert "DEFERRAL FEES PROHIBITED.—

"(1) CREDITORS.—A creditor".

At the end of paragraph (1) of subsection (r) of section 129 of the Truth in Lending Act, (as so designated by the preceding amendment) insert the following new paragraphs:

"(2) THIRD PARTIES.—A third-party may not charge a consumer any fee to—

"(A) modify, renew, extend, or amend a high-cost mortgage, or defer any payment due under the terms of such mortgage;

"(B) negotiate with a creditor on behalf of a consumer, the modification, renewal, extension, or amendment of a high-cost mortgage; or

"(C) negotiate with a creditor on behalf of a consumer, the deferral of any payment due under the terms of such mortgage,

unless the modification renewal, extension or amendment results in a significantly lower annual percentage rate on the mortgage, or a significant reduction in the amount of the outstanding principal on the mortgage, for the consumer and then only if the amount of the fee is comparable to fees imposed for similar transactions in connection with consumer credit transactions that are secured by a consumer's principal dwelling and are not high-cost mortgages.

"(3) ENFORCEMENT.—Section 130 shall be applied for purposes of paragraph (2) by—

"(A) substituting 'third party' for 'creditor'each place such term appears; and

"(B) substituting 'any fee charged by a third party' for 'finance charge' each place such term appears.".

In subsection (g)(3)(B)(ix) of section 4 of the Department of Housing and Urban Development Act (as added by section 402) insert ", including underdeveloped areas that lack basic water and sewer systems, electricity services, and safe, sanitary housing" before the period at the end.

In the matter proposed to be inserted by the amendment made by section 403(a) of the bill, in subsection (g)(1)(B)(xi), strike "and" after the semicolon.

In the matter proposed to be inserted by the amendment made by section 403(a) of the bill, in subsection (g)(1)(B)(xii), strike the period at the end and insert "; and".

In the matter proposed to be inserted by the amendment made by section 403(a) of the bill, after clause (xii) of subsection (g)(1)(B) add the following:

"(xiii) section 106 of the Energy Policy Act of 1992 (42 U.S.C. 12712 note).".

In the matter proposed to be inserted by the amendment made by section 403(a) of the bill, in subsection (g)(5), strike "and home repair loans" and insert the following: "home repair loans, and where appropriate by region, any requirements and costs associated with obtaining flood or other disaster-specific insurance coverage".

In subparagraph (C) of paragraph (4) of the matter proposed to be inserted by the amendment made by section 404 of the bill, before the period at the end insert the following: "and that ensures adequate distribution of amounts for rural areas having traditionally low levels of access to such counseling services, including areas with insufficient access to the Internet".

In section 406, insert ", and the role of computer registries of mortgages, including those used for trading mortgage loans" before the period at the end of the 2nd sentence.

After section 406, insert the following new section (and redesignate succeeding sections in title IV accordingly):

SEC. 407. DEFAULT AND FORECLOSURE DATABASE.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development, in consultation with the Federal agencies responsible for regulation of banking and financial institutions involved in residential mortgage lending and servicing, shall establish and maintain a database of information on foreclosures and defaults on mortgage loans for one- to four-unit residential properties and shall make such information publicly available.

(b) CENSUS TRACT DATA.—Information in the database shall be collected, aggregated, and made available on a census tract basis.

(c) REQUIREMENTS.—Information collected and made available through the database shall include—

(1) the number and percentage of such mortgage loans that are delinquent by more than 30 days;

(2) the number and percentage of such mortgage loans that are delinquent by more than 90 days;

(3) the number and percentage of such properties that are real estate-owned;

(4) number and percentage of such mortgage loans that are in the foreclosure process;

(5) the number and percentage of such mortgage loans that have an outstanding principal obligation amount that is greater than the value of the property for which the loan was made; and

(6) such other information as the Secretary considers appropriate.

In section 6(l)(1)(B) of the Real Estate Settlement Procedures Act of 1974 (as added by section 503 of the bill), strike "clauses" and insert "clause".

In section 129D(b) of the Truth in Lending Act (as added by section 501 of the bill), amend paragraph (3) to read as follows:

"(3) the transaction is secured by a first mortgage or lien on the consumer's principal dwelling having an original principal obligation amount that—

"(A) does not exceed the amount of the maximum limitation on the original principal obligation of mortgage in effect for a residence of the applicable size, as of the date such interest rate set, pursuant to the sixth sentence of section 305(a)(2) the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)), and the annual percentage rate will exceed the average prime offer rate for a comparable transaction by 1.5 or more percentage points; or

"(B) exceeds the amount of the maximum limitation on the original principal obligation of mortgage in effect for a residence of the applicable size, as of the date such interest rate set, pursuant to the sixth sentence of section 305(a)(2) the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)), and the annual percentage rate will exceed the average prime offer rate for a comparable transaction by 2.5 or more percentage points; or".

Redesignate section 128(b)(5) of the Truth in Lending Act (as added by section 505 of the bill) as section 128(b)(4) of the Truth in Lending Act.

Section 601 is amended to read as follows:

SEC. 601. PROPERTY APPRAISAL REQUIREMENTS.

Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by inserting after 129G (as added by section 504) the following new section:

"SEC. 129H PROPERTY APPRAISAL REQUIREMENTS.

"(a) IN GENERAL.—A creditor may not extend credit in the form of a subprime mortgage to any consumer without first obtaining a written appraisal of the property to be mortgaged prepared in accordance with the requirements of this section.

"(b) APPRAISAL REQUIREMENTS.—

"(1) PHYSICAL PROPERTY VISIT.—An appraisal of property to be secured by a subprime mortgage does not meet the requirement of this section unless it is performed by a qualified appraiser who conducts a physical property visit of the interior of the mortgaged property.

"(2) SECOND APPRAISAL UNDER CERTAIN CIRCUMSTANCES.—

"(A) IN GENERAL.—If the purpose of a subprime mortgage is to finance the purchase or acquisition of the mortgaged property from a person within 180 days of the purchase or acquisition of such property by that person at a price that was lower than the current sale price of the property, the creditor shall obtain a second appraisal from a different qualified appraiser. The second appraisal shall include an analysis of the difference in sale prices, changes in market conditions, and any improvements made to the property between the date of the previous sale and the current sale.

"(B) NO COST TO APPLICANT.—The cost of any second appraisal required under subparagraph (A) may not be charged to the applicant.

"(3) QUALIFIED APPRAISER DEFINED.—For purposes of this section, the term 'qualified appraiser' means a person who—

"(A) is, at a minimum, certified or licensed by the State in which the property to be appraised is located; and

"(B) performs each appraisal in conformity with the Uniform Standards of Professional Appraisal Practice and title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and the regulations prescribed under such title, as in effect on the date of the appraisal.

"(c) FREE COPY OF APPRAISAL.—A creditor shall provide 1 copy of each appraisal conducted in accordance with this section in connection with a subprime mortgage to the applicant without charge, and at least 3 days prior to the transaction closing date.

"(d) CONSUMER NOTIFICATION.—At the time of the initial mortgage application, the applicant shall be provided with a statement by the creditor that any appraisal prepared for the mortgage is for the sole use of the creditor, and that the applicant may choose to have a separate appraisal conducted at their own expense.

"(e) VIOLATIONS.—In addition to any other liability to any person under this title, a creditor found to have willfully failed to obtain

an appraisal as required in this section shall be liable to the applicant or borrower for the sum of $2,000.

"(f) SUBPRIME MORTGAGE DEFINED.—For purposes of this section, the term 'subprime mortgage' means a residential mortgage loan secured by a principal dwelling with an annual percentage rate that exceeds the average prime offer rate for a comparable transaction, as of the date the interest rate is set—

"(1) by 1.5 or more percentage points, in the case of a first lien residential mortgage loan having an original principal obligation amount that does not exceed the amount of the maximum limitation on the original principal obligation of mortgage in effect for a residence of the applicable size, as of the date of such interest rate set, pursuant to the sixth sentence of section 305(a)(2) the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2));

"(2) by 2.5 or more percentage points, in the case of a first lien residential mortgage loan having an original principal obligation amount that exceeds the amount of the maximum limitation on the original principal obligation of mortgage in effect for a residence of the applicable size, as of the date of such interest rate set, pursuant to the sixth sentence of section 305(a)(2) the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)); and

"(3) by 3.5 or more percentage points for a subordinate lien residential mortgage loan".

In section 603, amend the header to read as follows: "Amendments relating to Appraisal Subcommittee of FIEC, Appraiser Independence Monitoring, Approved Appraiser Education, Appraisal Management Companies, Appraiser Complaint Hotline, Automated Valuation Models, and Broker Price Opinions".

Strike section 603(a)(2)(B) (and redesignate succeeding subparagraphs accordingly).

In section 1103(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (as amended by sections 603(a) and 603(b) of the bill)—

(1) in paragraph (5), strike "; and" and insert a period; and

(2) strike paragraph (4) and redesignate paragraph (6) as paragraph (4).

In the header of section 603(e), strike "Field".

In section 1121 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (as added by section 603(e)(4) of the bill), strike "10 certified" and insert "15 certified".

In section 1125(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (as added by section 603(q) of the bill), after "member agencies" insert the following: ", in consultation with the Appraisal Standards Board of the Appraisal Foundation and other interested parties,".

In section 1125(c)(1) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (as added by section 603(q) of the bill), strike "institution or regulatory" and insert "institution regulatory".

In section 1126 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (as added by section 603(r) of the bill), strike subsections (a), (b), and (c), and insert the following:

"(a) GENERAL PROHIBITION.—In conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a piece of property for the purpose of a loan origination of a residential mortgage loan secured by such piece of property.

"(b) BROKER PRICE OPINION DEFINED.—For purposes of this section, the term 'broker price opinion' means an estimate prepared by a real estate broker, agent, or sales person that details the probable selling price of a particular piece of real estate property and provides a varying level of detail about the property's condition, market, and neighborhood, and information on comparable sales, but does not include an automated valuation model, as defined in section 1125(c).".

In section 604, add at the end the following:

(c) ADDITIONAL STUDY REQUIRED.—The Comptroller General shall conduct an additional study to determine the effects that the changes to the seller-guide appraisal requirements of Fannie Mae and Freddie Mac contained in the Home Valuation Code of Conduct have on small business, like mortgage brokers and independent appraisers, and consumers, including the effect on the—

(1) quality and costs of appraisals;

(2) length of time for obtaining appraisals;

(3) impact on consumer protection, especially regarding maintaining appraisal independence, abating appraisal inflation, and mitigating acts of appraisal fraud;

(4) structure of the appraisal industry, especially regarding appraisal management companies, fee-for-service appraisers, and the regulation of appraisal management companies by the states; and

(5) impact on mortgage brokers and other small business professionals in the financial services industry.

(d) ADDITIONAL REPORT.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit an additional report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing the findings and conclusions of the Comptroller General with respect to the study conducted pursuant to subsection (c). Such additional report shall take into consideration the Small Business Administration's views on how small businesses are affected by the Home Valuation Code of Conduct.

Insert after title VII the following new title (and conform the table of contents accordingly):

TITLE VIII—REPORTS

SEC. 801. GAO STUDY REPORT ON GOVERNMENT EFFORTS TO COMBAT MORTGAGE FORECLOSURE RESCUE SCAMS AND LOAN MODIFICATION FRAUD.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of the current inter-agency efforts of the Secretary of the Treasury, the Secretary of Housing and Urban Development, the Attorney General, and the Federal Trade Commission to crackdown on mortgage foreclosure rescue scams and loan modification fraud in order to advise the Congress to the risks and vulnerabilities of emerging schemes in the loan modification arena.

(b) REPORT.—

(1) IN GENERAL.—The Comptroller General shall submit a report to the Congress on the study conducted under subsection (a) containing such recommendations for legislative and administrative actions as the Comptroller General may determine to be appropriate in addition to the recommendations required under paragraph (2).

(2) SPECIFIC TOPICS.—The report made under paragraph (1) shall include—

(A) an evaluation of the effectiveness of the inter-agency task force current efforts to combat mortgage foreclosure rescue scams and loan modification fraud scams;

(B) specific recommendations on agency or legislative action that are essential to properly protect homeowners from mortgage foreclosure rescue scams and loan modification fraud scams; and

(C) the adequacy of financial resources that the Federal Government is allocating to—

(i) crackdown on loan modification and foreclosure rescue scams; and

(ii) the education of homeowners about fraudulent scams relating to loan modification and foreclosure rescues.

Insert after title VIII the following new title (and conform the table of contents accordingly):

TITLE IX—MULTIFAMILY MORTGAGE RESOLUTION

SEC. 901. MULTIFAMILY MORTGAGE RESOLUTION PROGRAM.

(a) ESTABLISHMENT.—Subject to subsection (e), the Secretary of the Treasury, in consultation with the Secretary of Housing and Urban Development, shall develop a program to stabilize multifamily properties which are delinquent, at risk of default or disinvestment, or in foreclosure.

(b) FOCUS OF PROGRAM.—The program developed under this section shall be used to ensure the protection of current and future tenants of at risk multifamily properties, where feasible, by—

(1) creating sustainable financing of such properties that is based on—

(A) the current rental income generated by such properties; and

(B) the preservation of adequate operating reserves;

(2) maintaining the level of Federal, State, and city subsidies in effect as of the date of enactment of this Act; and

(3) facilitating the transfer, when necessary, of such properties to responsible new owners.

(c) COORDINATION.—The Secretary of the Treasury shall in carrying out the program developed under this section coordinate with the Secretary of Housing and Urban Development, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Federal Housing Finance Agency, and any other Federal Government agency that the Secretary considers appropriate.

(d) DEFINITION.—For purposes of this section, the term "multifamily properties" means a residential structure that consists of 5 or more dwelling units.

(e) AUTHORITY.—This section shall not limit the ability of the Secretary of the Treasury to use any existing authority to carry out the program under this section.

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2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FRANK OF MASSACHUSETTS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike section 216(e) and insert the following:

(e) LIMITATION ON DISTRIBUTION OF ASSISTANCE.—

(1) IN GENERAL.—None of the amounts made available under this section shall be distributed to—

(A) any organization which has been convicted for a violation under Federal law relating to an election for Federal office; or

(B) any organization which employs applicable individuals.

(2) DEFINITION OF APPLICABLE INDIVIDUALS.—In this subsection, the term "applicable individual" means an individual who—

(A) is—

(i) employed by the organization in a permanent or temporary capacity;

(ii) contracted or retained by the organization; or

(iii) acting on behalf of, or with the express or apparent authority of, the organization; and

(B) has been convicted for a violation under Federal law relating to an election for Federal office.

Strike section 106(a)(4)(D) of the Housing and Urban Development Act of 1968 (as added by section 404 of the bill) and insert the following:

"(D) LIMITATION ON DISTRIBUTION OF ASSISTANCE.—

"(i) IN GENERAL.—None of the amounts made available under this paragraph shall be distributed to—

"(I) any organization which has been convicted for a violation under Federal law relating to an election for Federal office; or

"(II) any organization which employs applicable individuals.

"(i) DEFINITION OF APPLICABLE INDIVIDUALS.—In this subparagraph, the term 'applicable individual' means an individual who—

"(I) is—

"(aa) employed by the organization in a permanent or temporary capacity;

"(bb) contracted or retained by the organization; or

"(cc) acting on behalf of, or with the express or apparent authority of, the organization; and

"(II) has been convicted for a violation under Federal law relating to an election for Federal office.".

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BACHUS OF ALABAMA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title IV, add the following new section:

SEC. 410. WARNINGS TO HOMEOWNERS OF FORECLOSURE RESCUE SCAMS.

(a) ASSISTANCE TO NRC.—Notwithstanding any other provision of law, of any amounts made available for any fiscal year pursuant to section 106(a)(4)(F) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(a)(4)(F)) (as added by section 404 of this Act), 10 percent shall be used only for assistance to the Neighborhood Reinvestment Corporation for activities, in consultation with servicers of residential mortgage loans, to provide notice to borrowers under such loans who are delinquent with respect to payments due under such loans that makes such borrowers aware of the dangers of fraudulent activities associated with foreclosure.

(b) NOTICE.—The Neighborhood Reinvestment Corporation, in consultation with servicers of residential mortgage loans, shall use the amounts provided pursuant to subsection (a) to carry out activities to inform borrowers under residential mortgage loans—

(1) that the foreclosure process is complex and can be confusing;

(2) that the borrower may be approached during the foreclosure process by persons regarding saving their home and they should use caution in any such dealings;

(3) that there are Federal Government and nonprofit agencies that may provide information about the foreclosure process, including the Department of Housing and Urban Development; and

(4) that they should contact their lender immediately, contact the Department of Housing and Urban Development to find a housing counseling agency certified by the Department to assist in avoiding foreclosure, or visit the Department's website regarding tips for avoiding foreclosure; and

(5) of the telephone number of the loan servicer or successor, the telephone number of the Department of Housing and Urban Development housing counseling line, and the Uniform Resource Locators (URLs) for the Department of Housing and Urban Development websites for housing counseling and for tips for avoiding foreclosure.

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4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PERLMUTTER OF COLORADO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 220(a)(2)(B)—

(1) insert "(i)" before "such notice to vacate"; and

(2) insert before the period the following: "; and (ii) with respect to a single-family residence for which the borrower rented the unit in violation of the mortgage contract, such notice to vacate shall be provided by the purchaser to the tenant in such unit at least 30 days before the effective date of such notice, and shall include a copy of the mortgage contract prohibiting the rental of the unit".

Amend section 129(l) of the Truth in Lending Act (as added by section 303 of the bill) to read as follows:

"(l) ACCELERATION OF DEBT.—No high-cost mortgage may contain a provision which permits the creditor to accelerate the indebtedness, except when repayment of the loan has been accelerated by default in payment, or pursuant to a due-on-sale provision, or pursuant to a material violation of some other provision of the loan document unrelated to payment schedule.".

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5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HENSARLING OF TEXAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 129C(d) of the Truth in Lending Act (as added by section 204 of the bill), strike paragraphs (2) and (3) and insert the following (and redesignate succeeding paragraphs accordingly):

"(2) ASSIGNEE AND SECURITIZER EXEMPTION.—No assignee or securitizer of a residential mortgage loan shall be liable under this subsection.".

In section 129C(d)(6) of the Truth in Lending Act (as added by section 204 of the bill), strike ", assignee, or securitizer" each place it appears.

In section 129C(d)(7) of the Truth in Lending Act (as added by section 204 of the bill), strike ", assignee, or securitizer" each place it appears.

Strike section 129C(d)(8) of the Truth in Lending Act (as added by section 204 of the bill) (and redesignate succeeding paragraphs accordingly).

In section 129C(d)(9) of the Truth in Lending Act (as added by section 204 of the bill)—

(1) strike ", assignee, or securitizer"; and

(2) strike "or an assignee or securitizer under paragraph (2)".

In section 129C(d)(10) of the Truth in Lending Act (as added by section 204 of the bill), strike "the terms 'assignee' and 'securitizer', as used in this section, do not include".

In section 129C(e) of the Truth in Lending Act (as added by section 205 of the bill), strike "or any assignee or securitizer" each place it appears.

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6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MOORE OF KANSAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 129C(a) of the Truth in Lending Act (as added by section 201(a) of the bill), insert after paragraph (3) the following (and redesignate succeeding paragraphs accordingly):

"(4) INCOME VERIFICATION.—In order to safeguard against fraudulent reporting, any consideration of a consumer's income history in making a determination under this subsection shall include the verification of such income by the use of—

"(A) Internal Revenue Service transcripts of tax returns provided by a third party; or

"(B) such other similar method that quickly and effectively verifies income documentation by a third party as the Federal banking agencies may jointly prescribe.".

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7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PRICE OF GEORGIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

TITLE VIII—EFFECTIVE DATE

SEC. 801. EFFECTIVE DATE.

Notwithstanding any other provision of this Act, titles I, II, and III of this Act shall not take effect until 90 days after the Board of Governors of the Federal Reserve System provides written certification to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that such titles will not reduce the availability or increase the price of credit for qualified mortgages (as defined in section 129C(c)(2) of the Truth in Lending Act).

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8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MCNERNEY OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In the matter proposed to be inserted by the amendment made by section 404 of the bill, after the period at the end of paragraph (4)(C) insert the following: "In distributing such assistance, the Secretary may give priority consideration to entities serving areas with the highest home foreclosure rates.".

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9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MCHENRY OF NORTH CAROLINA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike title III (relating to high-cost mortgages).

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10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DAHLKEMPER OF PENNSYLVANIA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 5(b)(1) of the Real Estate Settlement Procedures Act of 1974 (as amended by section 408 of the bill)—

(1) in subparagraph (B), strike "and"; and

(2) insert after subparagraph (B) the following (and redesignate succeeding subparagraphs accordingly):

"(C) the advantages of prepayment; and".

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11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BROWN-WAITE OF FLORIDA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 218(a), strike "homebuyers and mortgage lending" and insert "consumers, small businesses, homebuyers, and mortgage lending".

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12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TITUS OF NEVADA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

In that portion of subparagraph (C) of section 129B(b)(1) of the Truth in Lending Act (as added by section 102(a) of the bill) that

appears before clause (i) of such subparagraph, insert "in writing, the receipt and understanding of which shall be acknowledged by the signature of the mortgage originator and the consumer," after "timely disclosure to each such consumer".

In clause (i) of section 129B(b)(1)(C) of the Truth in Lending Act (as added by section 102(a) of the bill) insert "(and such comparative costs and benefits for each such product shall be presented side by side and the disclosures for each such product shall have equal prominence)" before the semicolon at the end.

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13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MARIO DIAZ-BALART OF FLORIDA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill add the following new title:

TITLE VIII—STUDY OF EFFECT OF DRYWALL PRESENCE ON FORECLOSURES

SEC. 801. STUDY OF EFFECT OF DRYWALL PRESENCE ON FORECLOSURES.

(a) STUDY.—The Secretary of Housing and Urban Development, in consultation with the Secretary of the Treasury, shall conduct a study of the effect on residential mortgage loan foreclosures of—

(1) the presence in residential structures subject to such mortgage loans of drywall that was imported from China during the period beginning with 2004 and ending at the end of 2007; and

(2) the availability of property insurance for residential structures in which such drywall is present.

(b) REPORT.—Not later than the expiration of the 120-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a report on the study conducted under subsection (a) containing its findings, conclusions, and recommendations.

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14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WEINER OF NEW YORK, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill, add the following new title:

TITLE VIII—FANNIE MAE GUIDELINES FOR PURCHASE OF CONDOMINIUM AND COOPERATIVE HOUSING MORTGAGES

SEC. 801. GUIDELINES FOR PURCHASE OF CONDOMINIUM AND COOPERATIVE HOUSING MORTGAGES.

The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall take actions as are appropriate to establish and revise fee schedules, occupancy and pre-sale guidelines, and other relevant underwriting standards in order to ensure the availability of affordable mortgage credit for condominium and cooperative housing, consistent with appropriate levels of credit risk. In setting such fees, guidelines, and standards, each association may consider factors such as the relative health of the

local or regional housing market in which such housing is located, and whether the housing is in a new or existing development.

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