

113TH CONGRESS  
1ST SESSION

# H. R. 1077

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2013

Mr. HUIZENGA of Michigan (for himself, Mr. ROYCE, Mr. DAVID SCOTT of Georgia, Mr. MEEKS, Mr. CLAY, Mr. STIVERS, Mr. PETERS of Michigan, and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Mortgage  
5 Choice Act”.

6 **SEC. 2. DEFINITION OF POINTS AND FEES.**

7 (a) AMENDMENT TO SECTION 103 OF TILA.—Sec-  
8 tion 103(bb)(4) of the Truth in Lending Act (15 U.S.C.  
9 1602(bb)(4)) is amended—

1 (1) by striking “paragraph (1)(B)” and insert-  
2 ing “paragraph (1)(A) and section 129C”;

3 (2) in subparagraph (A), by striking “except in-  
4 terest or the time-price differential” and inserting  
5 the following:

6 “except—

7 “(i) interest and the time-price dif-  
8 ferential; and

9 “(ii) the amount of any loan level  
10 price adjustment payment set by the Fed-  
11 eral National Mortgage Association, the  
12 Federal Home Loan Mortgage Corpora-  
13 tion, the Federal Housing Administration,  
14 or similar governmental entity or govern-  
15 ment-sponsored enterprise”;

16 (3) by striking subparagraph (B) and inserting  
17 the following new subparagraph:

18 “(B) all compensation paid directly by a  
19 consumer to a mortgage originator, including a  
20 mortgage originator that is also the creditor in  
21 a table-funded transaction, but not including  
22 compensation paid by a mortgage originator or  
23 a creditor to an individual employed by the  
24 mortgage originator or creditor”;

25 (4) in subparagraph (C)—

1 (A) by inserting “and insurance” after  
2 “taxes”;

3 (B) in clause (ii), by inserting “, except as  
4 retained by a creditor or its affiliate as a result  
5 of their participation in an affiliated business  
6 arrangement (as defined in section 2(7) of the  
7 Real Estate Settlement Procedures Act of 1974  
8 (12 U.S.C. 2602(7))” after “compensation”;  
9 and

10 (C) by striking clause (iii) and inserting  
11 the following:

12 “(iii) the charge is—

13 “(I) a bona fide third-party  
14 charge not retained by the mortgage  
15 originator, creditor, or an affiliate of  
16 the creditor or mortgage originator; or

17 “(II) a charge set forth in section  
18 106(e)(1);”; and

19 (5) in subparagraph (D)—

20 (A) by striking “accident,”; and

21 (B) by striking “or any payments” and in-  
22 serting “and any payments”.

23 (b) AMENDMENT TO SECTION 129C OF TILA.—Sec-  
24 tion 129C of the Truth in Lending Act (15 U.S.C. 1639c)  
25 is amended—

1           (1) in subsection (a)(5)(C), by striking “103”  
2           and all that follows through “or mortgage origi-  
3           nator” and inserting “103(bb)(4)”; and

4           (2) in subsection (b)(2)(C)(i), by striking “103”  
5           and all that follows through “or mortgage origi-  
6           nator)” and inserting “103(bb)(4)”.

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