

**AMENDMENT TO H.R. 1728, AS REPORTED
OFFERED BY MR. POLIS OF COLORADO**

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:

1 “(E) REFINANCE OF HYBRID LOANS WITH
2 CURRENT LENDER.—In considering any appli-
3 cation for refinancing an existing hybrid loan
4 by the creditor into a standard loan to be made
5 by the same creditor in any case in which the
6 sole net-tangible benefit to the mortgagor would
7 be a reduction in monthly payment and the
8 mortgagor has not been delinquent on any pay-
9 ment on the existing hybrid loan, the creditor
10 may—

11 “(i) consider the mortgagor’s good
12 standing on the existing mortgage;

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

1 “(iii) offer rate discounts and other
2 favorable terms to such mortgagor that
3 would be available to new customers with
4 high credit ratings based on such under-
5 writing practice.”.