Dem #15

AMENDMENT TO H.R. 1728, AS REPORTED
OFFERED BY MR. SARBANES OF MARYLAND

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 the Truth in Lending Act, (as so designated by the preceding amendment) insert the following new paragraphs:

1 "(2) THIRD PARTIES.— A third-party may not
2 charge a consumer any fee to—
3 "(A) modify, renew, extend, or amend a
4 high-cost mortgage, or defer any payment due
5 under the terms of such mortgage;
6 "(B) negotiate with a creditor on behalf of
7 a consumer, the modification, renewal, exten-
8 sion, or amendment of a high-cost mortgage; or
9 "(C) negotiate with a creditor on behalf of
10 a consumer, the deferral of any payment due
11 under the terms of such mortgage,

1 unless the modification renewal, extension or amend-
2 ment results in a significantly lower annual percent-
3 age rate on the mortgage, or a significant reduction
4 in the amount of the outstanding principal on the
5 mortgage, for the consumer and then only if the
6 amount of the fee is comparable to fees imposed for
7 similar transactions in connection with consumer
8 credit transactions that are secured by a consumer's
9 principal dwelling and are not high-cost mortgages.
10 "(3) ENFORCEMENT.—Section 130 shall be ap-
11 plied for purposes of paragraph (2) by—
12 "(A) substituting 'third party' for
13 'creditor'each place such term appears; and
14 "(B) substituting 'any fee charged by a
15 third party' for 'finance charge' each place such
16 term appears.".