

H. RES.

H.R. 1728 - the Mortgage Reform and Anti-Predatory Lending Act

1. Provides for further consideration of H.R. 1728 under a structured rule.
2. Provides that no general debate shall be in order pursuant to this rule.
3. 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.
4. 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).
5. No amendments shall be in order except those amendments printed in the Rules Committee report accompanying the resolution.
6. Provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the 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 division of the question in the House or in the Committee of the Whole.
7. Waives all points of order against the amendments printed in the report except for clauses 9 and 10 of rule XXI.
8. Provides one motion to recommit with or without instructions.

RESOLUTION

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union 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. No general debate shall be in order pursuant to this resolution. The bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the 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 division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SUMMARY OF AMENDMENTS PROPOSED TO BE MADE IN ORDER

(summaries derived from information provided by sponsors)

Sponsor	# Description	Debate Time
1. Frank (MA)	#37 REVISED 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. The amendment 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 anti-deficiency 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	(30 minutes)

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 foreclosures; 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.

2. Frank (MA)

#36 **REVISED** Would provide that no funds in this bill for (10 minutes) 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.

3. **Bachus (AL)** #56 **REVISED** 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)** #53 **REVISED** 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)** #29 Would strike the assignee and securitizer liability provisions from the bill. (10 minutes)
6. **Moore, Dennis (KS)/Kratovil (MD)/Kilroy (OH)** #45 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)** #11 **REVISED** 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 of increase the price of credit for qualified mortgages. (10 minutes)
8. **McNerney (CA)** #22 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)** #2 Would strike title III from the bill relating to high-cost mortgages. (10 minutes)
10. **Dahlkemper (PA)** #10 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)** #38 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) #26 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) #28 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) #50 **REVISED** 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)