

S 1299

Borrower's Protection Act of 2007

Congress: 110 (2007–2009, Ended)

Chamber: Senate

Policy Area: Housing and Community Development

Introduced: May 3, 2007

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (May 3, 2007)

Official Text: <https://www.congress.gov/bill/110th-congress/senate-bill/1299>

Sponsor

Name: Sen. Schumer, Charles E. [D-NY]

Party: Democratic • **State:** NY • **Chamber:** Senate

Cosponsors (6 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Brown, Sherrod [D-OH]	D · OH		May 3, 2007
Sen. Casey, Robert P., Jr. [D-PA]	D · PA		May 3, 2007
Sen. Mikulski, Barbara A. [D-MD]	D · MD		May 14, 2007
Sen. Klobuchar, Amy [D-MN]	D · MN		Oct 26, 2007
Sen. Boxer, Barbara [D-CA]	D · CA		Oct 29, 2007
Sen. Lieberman, Joseph I. [I-CT]	ID · CT		Nov 13, 2007

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 3, 2007

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

Bill	Relationship	Last Action
110 S 2452	Related bill	Dec 12, 2007: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S15236-15244)

Borrower's Protection Act of 2007 - Amends the Truth in Lending Act to deem a mortgage broker, in the case of a home mortgage loan, to have a fiduciary relationship with the consumer. Subjects each such mortgage broker to all federal and state requirements for fiduciaries.

Requires each mortgage originator, in addition to the duties imposed by federal and state requirements, to act with respect to each home mortgage loan: (1) with reasonable skill, care, and diligence; and (2) in good faith and with fair dealing in any transaction, practice, or with associated course of business.

Requires a mortgage originator, before entering into or otherwise facilitating a home mortgage loan, to verify the borrower's reasonable ability to pay the principal and interest, real estate taxes, and homeowners insurance fees and premiums. Prescribes a formula for determining ability to pay variable mortgage rates.

Makes the lender liable for acts, omissions, and representations of a mortgage broker in connection with any rate spread mortgage loan the broker sells or delivers to the lender.

Prohibits a mortgage originator from steering a consumer to home mortgage loan rates, charges, principal amount, or prepayment terms not reasonably advantageous to the consumer.

Prescribes mortgage originator duties to consumers.

Prohibits specified mortgage originator conduct, especially entering into a home mortgage loan when the originator has reason to believe that the appraiser of the property securing the loan failed to act in good faith and fair dealing in its appraisal.

Prohibits a mortgage originator from: (1) seeking to influence an appraiser or otherwise to encourage a targeted value; or (2) selecting an appraiser on the expectation that the appraiser would provide a targeted value.

Requires the mortgage originator to provide a copy of the appraisal report to a home mortgage loan applicant, whether credit is granted, denied, or the application was withdrawn.

Actions Timeline

- **May 3, 2007:** Introduced in Senate
- **May 3, 2007:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

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