

HR 1852

Expanding American Homeownership Act of 2007

Congress: 110 (2007–2009, Ended)

Chamber: House

Policy Area: Housing and Community Development

Introduced: Mar 29, 2007

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban A

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sep 19, 2007)

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Sponsor

Name: Rep. Waters, Maxine [D-CA-35]

Party: Democratic • State: CA • Chamber: House

Cosponsors (13 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Frank, Barney [D-MA-4]	D · MA		Mar 29, 2007
Rep. Jefferson, William J. [D-LA-2]	D · LA		May 3, 2007
Rep. Rush, Bobby L. [D-IL-1]	D · IL		May 3, 2007
Rep. Schiff, Adam B. [D-CA-29]	D · CA		May 3, 2007
Rep. Sires, Albio [D-NJ-13]	D · NJ		May 3, 2007
Del. Christensen, Donna M. [D-VI-At Large]	D · VI		May 21, 2007
Rep. Cummings, Elijah E. [D-MD-7]	D · MD		May 23, 2007
Rep. Eshoo, Anna G. [D-CA-14]	D · CA		May 23, 2007
Rep. Welch, Peter [D-VT-At Large]	D · VT		May 23, 2007
Rep. Markey, Edward J. [D-MA-7]	D · MA		Jun 7, 2007
Rep. Moran, James P. [D-VA-8]	D · VA		Jun 15, 2007
Rep. Etheridge, Bob [D-NC-2]	D · NC		Jun 19, 2007
Rep. Wynn, Albert Russell [D-MD-4]	D · MD		Jun 26, 2007

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Sep 19, 2007
Financial Services Committee	House	Hearings By (subcommittee)	Apr 19, 2007

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

Bill	Relationship	Last Action
110 S 2338	Related bill	Dec 17, 2007: Held at the desk.
110 S 2325	Related bill	Nov 8, 2007: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
110 HRES 650	Procedurally related	Sep 18, 2007: Motion to reconsider laid on the table Agreed to without objection.

Expanding American Homeownership Act of 2007 - (Sec. 3) Amends the National Housing Act (Act) to: (1) modify requirements governing the maximum principal loan obligation, changing it to 125% of the median one-family house price in the area; and (2) extend the mortgage term from 35 to 40 years.

(Sec. 5) Revises eligibility criteria for cash down payment for mortgage insurance. Alters the formula for determining the principal obligation to set the loan-to-value (LTV) for a Federal Housing Administration (FHA) single family home at 97.75 % of the appraised value of the property (plus the amount of the mortgage insurance premium paid at the time the mortgage is insured, as under current law).

Establishes an alternative formula for zero- and lower-down payment borrowers, allowing 100% of the appraised value of the property, plus HUD-approved initial service charges, appraisal, inspection, and other fees.

Repeals the prerequisite for FHA mortgage insurance that a mortgagor obtain counseling in financial management and responsibilities of homeownership.

Retains the current 3% cash down payment requirement, except for zero- and lower-down payment borrowers.

Requires the Secretary, with respect to cash down payments, to consider as cash or its equivalent any amounts gifted by a family member (as under current law), the mortgagor's employer or labor union, or a qualified home ownership assistance entity, but only if there is no obligation on the part of the mortgagor to repay the gift.

(Sec. 6) Sets forth eligibility criteria governing mortgage insurance premiums for zero- and lower-down payment borrowers who obtain a mortgage secured by a one- to four-family dwelling occupied as a principal residence.

(Sec. 7) Distinguishes standard risk mortgages secured by a one- to four-family dwelling from higher-risk mortgages.

Authorizes the Secretary to: (1) establish underwriting standards for higher-risk mortgages for mortgagors with a credit score equivalent to a FICO score of less than 560; (2) provide for flexible premium rate variations according to the credit risk associated with the type of mortgage product being insured; and (3) create certain payment incentives, both discretionary and mandatory.

(Sec. 10) Makes certain borrower protections, including mortgagee disclosures and mortgagor counseling, particularly foreclosure prevention counseling, mandatory for higher risk mortgages.

(Sec. 11) Requires the Secretary to: (1) establish underwriting standards governing insurance of mortgage loans; and (2) take actions to facilitate the availability of mortgage loans insured under this Act that are made for the purpose of paying or prepaying outstanding obligations under existing mortgages.

(Sec. 12) Instructs the Secretary to submit in annual reports to Congress: (1) the rates of default and foreclosure for mortgages insured pursuant to certain mortgage insurance programs; and (2) loss mitigation actions.

(Sec. 13) Permits an increase of up to 25% in the maximum mortgage amount that may be insured to account for the increased cost of a residence due to an increased need of space for locating and operating a licensed or certificated child care facility.

(Sec. 14) Replaces the General Insurance Fund with the Mutual Mortgage Insurance Fund (MMI Fund) with respect to funds received and disbursements made in connection with certain rehabilitation loans.

(Sec. 16) Permits the Secretary to insure any mortgage covering a one-family unit in a condominium if the project of which it is part has a certain HUD-insured blanket mortgage. Extends the insurable mortgage term from 35 to 40 years.

Includes among insurable multifamily projects those in which the dwelling units are manufactured housing units, semi-detached or detached.

(Sec. 17) Revises requirements for the MMI Fund, specifying operating goals among other things. Requires an annual independent actuarial study of the Fund.

(Sec. 18) Makes insurance of a Native Hawaiian or Indian reservation mortgage the obligation of the MMI Fund (instead of the General Insurance Fund).

(Sec. 20) Eliminates the limitation placed upon the aggregate number of home equity conversion mortgages insured under the Act.

Authorizes the Secretary to insure a home equity conversion mortgage when its primary purpose is to enable an elderly mortgagor to purchase a one- to four-family dwelling in which the mortgagor will occupy one of the units.

Directs the Secretary to: (1) establish specified limits on the origination fee that may be charged to a mortgagor; and (2) study and report to Congress regarding mortgage insurance premiums charged for insurance of home equity conversion mortgages to determine the effects of reducing such premiums upon costs to mortgagors, and upon the financial soundness of the program.

(Sec. 21) Revises: (1) requirements for participation by mortgage brokers and correspondent lenders in the mortgage insurance program; and (2) mortgage insurance eligibility criteria.

Extends the meaning of "mortgagee" to mortgage brokers and correspondent lenders who post a bond of between \$50,000 and \$100,000 (indexed annually), as determined by the Secretary, in lieu of existing net worth and annual audit requirements.

Directs the Comptroller General to study and report to Congress regarding the effect of such revised requirements upon increased participation by mortgage brokers and correspondent lenders in mortgage insurance programs under this Act.

(Sec. 22) Authorizes the Secretary to enter into agreements, for a certain period, to insure up to 100% of certain mortgages for a single family residence located in a major disaster area.

(Sec. 23) Establishes penalties for failure by a mortgage and escrow account servicer to make required payments from escrow accounts (for taxes, insurance premiums, and other charges) in the case of a HUD-insured mortgage for a one- to four-family residence.

Prohibits the Secretary from submitting any information to a consumer reporting agency regarding such failure that is adverse to the mortgagor's credit rating or interest.

(Sec. 24) Restricts acceptable forms of identification for FHA mortgagors to: (1) a social security card with photo identification or REAL ID Act identification; (2) a passport; or (3) a U.S. Citizenship and Immigration Services identification card.

(Sec. 25) Directs the Secretary to implement a pilot program to establish an automated process for borrowers without sufficient credit history.

Directs the Comptroller General to report to Congress regarding: (1) the number of additional mortgagors served using such automated process; and (2) the impact of such process and the insurance of mortgages pursuant to it on the safety and soundness of the insurance funds under the Act of which such mortgages are obligations.

(Sec. 26) Expresses the sense of Congress that the Secretary should report to Congress on the use of a portion of the funds received from premiums paid for FHA single family housing mortgage insurance that are in excess of the amounts paid out in claims to increase substantially the funding for FHA technology to bring it to the level and sophistication of technology used in the conventional mortgage lending market.

(Sec. 27) Increases maximum FHA multifamily housing mortgage limits in high cost areas from 140% of the basic loan limit to 170% and, on a project-by-project basis, to 215%.

(Sec. 28) Authorizes appropriations for FY2008 for discount sales of multifamily real properties.

(Sec. 29) Exempts from the requirements, limitations, and prohibitions of subtitle A (FHA Asset Disposition) of title II of the Deficit Reduction Act of 2005, and the amendments made by such title, any multifamily real property transaction for which: (1) the Secretary has received, before the Act's enactment, written expressions of interest in purchasing the property from both a city government and its housing commission; (2) the Secretary acquires title to the property at a foreclosure sale after receipt of such expressions of interest; and (3) such city government and housing commission have resolved a previous disagreement with respect to the disposition of the property.

(Sec. 30) Amends the Deficit Reduction Act of 2005 to prohibit the Secretary from selling multifamily real property through any discount sale during FY2011, or any multifamily loan through a discount loan sale during such fiscal year, unless the property or loan is sold for an amount that is equal to or greater than 60% of the property market value or loan market value, respectively.

(Sec. 31) Authorizes appropriations from the negative credit subsidy for mortgage insurance programs resulting from this Act for: (1) single family housing mortgage insurance; (2) housing counseling; (3) mortgage insurance technology, procedures, processes, program performance, and salaries; and (4) an affordable housing fund.

Conditions such authorization for a fiscal year upon certification by the Secretary that mortgage insurance premiums charged during it: (1) are established at the minimum amount sufficient to comply with the requirements for the MMI capital ratio; and (2) ensure the safety and soundness of the other mortgage insurance funds under such Act. Requires any such negative credit subsidy to ensure adequately the efficient delivery and availability of the mortgage insurance programs.

Requires the Secretary to study and report to Congress on how best to update and upgrade mortgage insurance program procedures and technologies so that the policies and procedures for originating, insuring, and servicing of mortgages conform with those customarily used by secondary market purchasers of residential mortgage loans.

(Sec. 32) Sets limitations upon mortgage insurance premium increases.

(Sec. 33) Amends the National Housing Act to establish civil money penalties for improperly influencing property appraisals.

(Sec. 34) Instructs the Secretary to provide refunds of unearned premium charges paid for mortgage insurance to or on behalf of otherwise refund-eligible mortgagors whose mortgages were closed before December 8, 2004, and endorsed on or after such date.

Authorizes appropriations.

Actions Timeline

- **Sep 19, 2007:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Sep 18, 2007:** Rule H. Res. 650 passed House.
- **Sep 18, 2007:** Considered under the provisions of rule H. Res. 650. (consideration: CR H10447-10481; text of measure as reported in House: CR H10456-10463)
- **Sep 18, 2007:** Rule provides for consideration of H.R. 1852 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. A specified amendment is in order.
- **Sep 18, 2007:** ORDER OF PROCEDURE - Mr. Frank (MA) asked unanimous consent that, during further consideration of H.R. 1852 in the Committee of the Whole, pursuant to H. Res. 650, amendment No. 2 may be offered out of order and by a cosponsor. Agreed to without objection.
- **Sep 18, 2007:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 650 and Rule XVIII.
- **Sep 18, 2007:** The Speaker designated the Honorable Stephanie Tubbs Jones to act as Chairwoman of the Committee.
- **Sep 18, 2007:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 1852.
- **Sep 18, 2007:** DEBATE - Pursuant to the provisions of H. Res. 650, the Committee of the Whole proceeded with 10 minutes of debate on the Cardoza amendment.
- **Sep 18, 2007:** DEBATE - Pursuant to the provisions of H. Res. 650, the Committee of the Whole proceeded with 10 minutes of debate on the Tierney amendment.
- **Sep 18, 2007:** DEBATE - Pursuant to the provisions of H. Res. 650, the Committee of the Whole proceeded with 10 minutes of debate on the Gary Miller of California amendment.
- **Sep 18, 2007:** DEBATE - Pursuant to the provisions of H. Res. 650, the Committee of the Whole proceeded with 10 minutes of debate on the Bishop (NY) amendment.
- **Sep 18, 2007:** DEBATE - Pursuant to the provisions of H. Res. 650, the Committee of the Whole proceeded with 10 minutes of debate on the Hensarling amendment.
- **Sep 18, 2007:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Hensarling amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. Hensarling demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Sep 18, 2007:** DEBATE - Pursuant to the provisions of H. Res. 650, the Committee of the Whole proceeded with 10 minutes of debate on the Tiberi amendment.
- **Sep 18, 2007:** DEBATE - Pursuant to the provisions of H. Res. 650, the Committee of the Whole proceeded with 20 minutes of debate on the Biggert amendment in the nature of a substitute.
- **Sep 18, 2007:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Biggert amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Ms. Biggert demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Sep 18, 2007:** UNFINISHED BUSINESS - The Chair announced that the unfinished business was the question of adoption of amendments which were debated earlier and on which further proceedings were postponed.
- **Sep 18, 2007:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 1852.
- **Sep 18, 2007:** The previous question was ordered pursuant to the rule. (consideration: CR H10478)
- **Sep 18, 2007:** The House adopted the amendments en gross as agreed to by the Committee of the Whole House on the state of the Union.
- **Sep 18, 2007:** Mr. Price (GA) moved to recommit with instructions to Financial Services. (consideration: CR H10478-10480; text: CR H10478)
- **Sep 18, 2007:** DEBATE - The House proceeded with 10 minutes of debate on the Price(GA) motion to recommit with instructions. The instructions contained in the motion seek to require the bill to be reported back to the House with an amendment to clarify the identification individuals need to obtain affordable housing funds.
- **Sep 18, 2007:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H10479)
- **Sep 18, 2007:** On motion to recommit with instructions Failed by the Yeas and Nays: 209 - 216 (Roll no. 875).

- Sep 18, 2007:** Passed/agreed to in House: On passage Passed by recorded vote: 348 - 72 (Roll no. 876).
- **Sep 18, 2007:** On passage Passed by recorded vote: 348 - 72 (Roll no. 876).
 - **Sep 18, 2007:** Motion to reconsider laid on the table Agreed to without objection.
 - **Sep 18, 2007:** The Clerk was authorized to correct section numbers, punctuation, and cross references, and to make other necessary technical and conforming corrections in the engrossment of H.R. 1852.
 - **Sep 17, 2007:** PERMISSION TO FILE SUPPLEMENTAL REPORT - Mr. Al Green (TX) asked unanimous consent that the Committee on Financial Services may have permission to file a supplemental report on H.R. 1852. Agreed to without objection.
 - **Sep 17, 2007:** Supplemental report filed by the Committee on Financial Services, H. Rept. 110-217, Part II.(consideration: CR H10406)
 - **Sep 17, 2007:** Supplemental report filed by the Committee on Financial Services, H. Rept. 110-217, Part II. (consideration: CR H10406)
 - **Sep 17, 2007:** Rules Committee Resolution H. Res. 650 Reported to House. Rule provides for consideration of H.R. 1852 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. A specified amendment is in order.
 - **Jun 28, 2007:** Reported (Amended) by the Committee on Financial Services. H. Rept. 110-217.
 - **Jun 28, 2007:** Placed on the Union Calendar, Calendar No. 133.
 - **May 3, 2007:** Ordered to be Reported (Amended) by the Yeas and Nays: 45 - 19.
 - **May 2, 2007:** Committee Consideration and Mark-up Session Held.
 - **Apr 24, 2007:** Sponsor introductory remarks on measure. (CR H4032)
 - **Apr 19, 2007:** Subcommittee Hearings Held.
 - **Apr 18, 2007:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
 - **Mar 29, 2007:** Introduced in House
 - **Mar 29, 2007:** Referred to the House Committee on Financial Services.