

## HR 6694

FHA Seller-Financed Downpayment Reform and Risk-Based Pricing Authorization Act of 2008

**Congress:** 110 (2007–2009, Ended)

**Chamber:** House

**Policy Area:** Housing and Community Development

**Introduced:** Jul 31, 2008

**Current Status:** Placed on the Union Calendar, Calendar No. 582.

**Latest Action:** Placed on the Union Calendar, Calendar No. 582. (Oct 2, 2008)

**Official Text:** <https://www.congress.gov/bill/110th-congress/house-bill/6694>

### Sponsor

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**Name:** Rep. Green, Al [D-TX-9]

**Party:** Democratic • **State:** TX • **Chamber:** House

Cosponsors (28 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Miller, Gary G. [R-CA-42]	R · CA		Jul 31, 2008
Rep. Shays, Christopher [R-CT-4]	R · CT		Jul 31, 2008
Rep. Waters, Maxine [D-CA-35]	D · CA		Jul 31, 2008
Rep. Cardoza, Dennis A. [D-CA-18]	D · CA		Sep 15, 2008
Rep. Carson, Andre [D-IN-7]	D · IN		Sep 15, 2008
Rep. Clay, Wm. Lacy [D-MO-1]	D · MO		Sep 15, 2008
Rep. Cleaver, Emanuel [D-MO-5]	D · MO		Sep 15, 2008
Rep. Johnson, Eddie Bernice [D-TX-30]	D · TX		Sep 15, 2008
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Rep. Sires, Albio [D-NJ-13]	D · NJ		Sep 15, 2008
Rep. Terry, Lee [R-NE-2]	R · NE		Sep 15, 2008
Rep. Tiberi, Patrick J. [R-OH-12]	R · OH		Sep 15, 2008
Rep. Wilson, Charles A. [D-OH-6]	D · OH		Sep 15, 2008
Rep. Baca, Joe [D-CA-43]	D · CA		Sep 16, 2008
Rep. Larsen, Rick [D-WA-2]	D · WA		Sep 16, 2008
Rep. Lungren, Daniel E. [R-CA-3]	R · CA		Sep 16, 2008
Rep. Wasserman Schultz, Debbie [D-FL-20]	D · FL		Sep 16, 2008
Rep. Lofgren, Zoe [D-CA-16]	D · CA		Sep 18, 2008
Rep. Shimkus, John [R-IL-19]	R · IL		Sep 18, 2008
Rep. Walsh, James T. [R-NY-25]	R · NY		Sep 22, 2008
Rep. Diaz-Balart, Lincoln [R-FL-21]	R · FL		Sep 23, 2008
Rep. Gordon, Bart [D-TN-6]	D · TN		Sep 23, 2008
Rep. Berman, Howard L. [D-CA-28]	D · CA		Oct 2, 2008
Rep. Sutton, Betty [D-OH-13]	D · OH		Oct 2, 2008
Rep. Towns, Edolphus [D-NY-10]	D · NY		Oct 2, 2008

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Reported By	Oct 2, 2008

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

No related bills are listed.

FHA Seller-Financed Downpayment Reform and Risk-Based Pricing Authorization Act of 2008 - (Sec. 2) Amends the National Housing Act to make exceptions to the prohibition against mortgage insurance for mortgages involving a downpayment using funds furnished by: (1) the seller or any party that benefits financially from the transaction (seller-financed downpayment); or (2) any third party that is reimbursed by the seller or any such party.

Makes eligible for mortgage insurance, in spite of a seller-financed downpayment, any mortgagors with credit scores equivalent to a FICO score of: (1) 680 or more; (2) at least 620 but less than 680; or (3) 619 or less. Prescribes conditions for mortgage insurance in the latter two situations.

Requires entities participating in a governmental or private nonprofit program that provides downpayment assistance for such a mortgage to offer and make available, before loan closing, counseling about the responsibilities and financial management involved in homeownership.

Authorizes the Secretary of Housing and Urban Development to impose civil money penalties for improperly influencing appraisals.

(Sec. 3) Prohibits the Secretary from implementing: (1) risk-based premiums designed for mortgage lenders to offer a Federal Housing Administration (FHA)-insured product that provides a range of mortgage insurance premium pricing based upon a specified risk that the insurance contract represents; or (2) any other risk-based premium product for mortgage insurance on a single family residence where the premium price for such new product is based upon the borrower's Decision Credit Score.

Makes an exception from such prohibition for flexible risk-based premiums. Authorizes the Secretary to establish, for a mortgagor whose FICO credit score is under 600, a mortgage insurance premium structure with a variable rate that reflects the mortgagor's credit risk, if the basis for determining such rate is established before the mortgage is executed.

Requires notice to mortgagees and to Congress before such a premium structure is established or changed.

Requires the Secretary to consider specified factors when premiums are established and collected under a flexible risk-based premium structure.

Authorizes the Secretary to provide for variations in such rates according to the credit risk associated with the type of mortgage product that is being insured.

Requires the Secretary to make payment incentives to a mortgagor, in the form of certain refunds, upon payment in full of timely mortgage payments.

Authorizes the Secretary, for mortgages with a flexible risk-based premium, to establish a higher annual premium in lieu of a higher up-front premium.

## Actions Timeline

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- **Oct 2, 2008:** Reported (Amended) by the Committee on Financial Services. H. Rept. 110-905.
- **Oct 2, 2008:** Placed on the Union Calendar, Calendar No. 582.
- **Sep 16, 2008:** Committee Consideration and Mark-up Session Held.
- **Sep 16, 2008:** Ordered to be Reported (Amended) by Voice Vote.
- **Jul 31, 2008:** Introduced in House
- **Jul 31, 2008:** Referred to the House Committee on Financial Services.