

## S 863

### Fairness for Homeowners Act of 2009

**Congress:** 111 (2009–2011, Ended)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Apr 22, 2009

**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. (Apr 22, 2009)

**Official Text:** <https://www.congress.gov/bill/111th-congress/senate-bill/863>

## Sponsor

**Name:** Sen. Klobuchar, Amy [D-MN]

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

## Cosponsors

No cosponsors are listed for this bill.

## Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Apr 22, 2009

## Subjects & Policy Tags

### Policy Area:

Finance and Financial Sector

## Related Bills

Bill	Relationship	Last Action
111 HR 1782	Related bill	Mar 30, 2009: Referred to the House Committee on Financial Services.

Fairness for Homeowners Act of 2009 - Amends the Truth in Lending Act to prohibit a creditor or mortgage broker from arranging a consumer credit transaction secured by the principal dwelling of a consumer without first verifying the consumer's reasonable ability to make the scheduled payments of principal, interest (including variable interest), real estate taxes, homeowner's insurance, assessments, and mortgage insurance premiums.

Prescribes criteria to: (1) determine such consumer's reasonable ability to pay a variable interest rate; and (2) verify the consumer's income and financial resources. Declares a consumer's statement of income or financial resources insufficient evidence of the consumer's financial status.

Prohibits consumer equity in the principal dwelling that secures the consumer credit transaction from being used to establish ability to make payments.

Prohibits a mortgage broker or creditor from: (1) steering, counseling, or directing a consumer to rates, charges, principal amount, or prepayment terms that are more expensive than those for which the consumer qualifies; (2) arranging for any consumer credit transaction secured by the principal dwelling of a consumer that is more expensive than that for which the consumer qualifies; (3) engaging in certain mischaracterizations.

Prohibits prepayment penalties. Limits finance points, charges, and fees. Cites duties owed to a consumer by a mortgage broker.

Requires creditors and mortgage brokers to obtain independent verification that a borrower seeking to refinance a special mortgage has received counseling on the transaction's advisability. Defines "special mortgage" as one that: (1) was originated, subsidized, funded, or guaranteed by or through a state, tribal, or local government, or nonprofit organization; and (2) bears one or more specified nonstandard payment terms which substantially benefit the consumer.

Prescribes minimum financial requirements for mortgage brokers.

Excludes reverse mortgages from coverage by this Act.

## **Actions Timeline**

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- **Apr 22, 2009:** Introduced in Senate
- **Apr 22, 2009:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.