

## S 1577

Mortgage Choice Act of 2013

**Congress:** 113 (2013–2015, Ended)

**Chamber:** Senate

**Policy Area:** Housing and Community Development

**Introduced:** Oct 28, 2013

**Current Status:** Committee on Banking, Housing, and Urban Affairs. Hearings held.

**Latest Action:** Committee on Banking, Housing, and Urban Affairs. Hearings held. (Sep 16, 2014)

**Official Text:** <https://www.congress.gov/bill/113th-congress/senate-bill/1577>

### Sponsor

**Name:** Sen. Manchin, Joe, III [D-WV]

**Party:** Independent • **State:** WV • **Chamber:** Senate

### Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Johanns, Mike [R-NE]	R · NE		Oct 28, 2013
Sen. Kirk, Mark Steven [R-IL]	R · IL		Oct 28, 2013
Sen. Levin, Carl [D-MI]	D · MI		Oct 28, 2013
Sen. Stabenow, Debbie [D-MI]	D · MI		Oct 28, 2013
Sen. Toomey, Patrick [R-PA]	R · PA		Oct 28, 2013
Sen. Isakson, Johnny [R-GA]	R · GA		Nov 18, 2013
Sen. Portman, Rob [R-OH]	R · OH		Jan 6, 2014
Sen. Klobuchar, Amy [D-MN]	D · MN		May 21, 2014

### Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (full committee)	Sep 16, 2014

### Subjects & Policy Tags

#### Policy Area:

Housing and Community Development

## Related Bills

Bill	Relationship	Last Action
113 HR 5461	Related bill	Sep 17, 2014: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
113 HR 3211	Identical bill	Jun 10, 2014: Received in the Senate.
113 HR 2767	Related bill	Jul 24, 2013: Ordered to be Reported (Amended) by the Yeas and Nays: 30 - 27.
113 S 949	Related bill	May 14, 2013: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
113 HR 1077	Related bill	Mar 12, 2013: Referred to the House Committee on Financial Services.

## Summary (as of Oct 28, 2013)

Mortgage Choice Act of 2013 - Amends the Truth in Lending Act with respect to requirements for disclosure to a consumer of points and fees information about a consumer credit transaction, secured by the consumer's principal dwelling, but which is not a residential mortgage transaction, a reverse mortgage transaction, or a transaction under an open end credit plan, when the total points and fees the consumer must pay at or before closing will exceed 8% percent of the total loan amount or \$400, whichever is greater. (Such consumer credit transactions might include an equity credit line to which consumer purchases or leases may be charged.)

Excludes from the computation of such points and fees any escrow for future payment of insurance.

Modifies the criteria for exclusion from the computation of points and fees of certain reasonable charges elsewhere exempted from the computation of the finance charge in extensions of credit secured by an interest in real property. Excludes from points and fees any such reasonable charges even though a creditor receives compensation, but only in so far as the creditor or its affiliate retains the compensation as a result of their participation in an affiliated business arrangement.

(An "affiliated business arrangement" is one in which: (1) a person who is in a position to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan, or an associate of such person, has either an affiliate relationship with or a direct or beneficial ownership interest of more than 1% in a provider of settlement services; and (2) either of such persons directly or indirectly refers such business to that provider or affirmatively influences the provider's selection.)

Revises the additional requirement that such a reasonable charge be paid to a third party unaffiliated with the creditor. Requires the charge to be: (1) a bona fide third party charge not retained by the mortgage originator, creditor, or an affiliate; or (2) a fee or premium for title examination, title insurance, or similar purposes.

Modifies the conditions under which federal departments and agencies may exempt refinancings under a streamlined refinancing from an income verification requirement that, at the time a refinancing is consummated, the consumer has a reasonable ability to repay the loan and all applicable taxes, insurance, and assessments. Repeals the exception for bona fide third party charges not retained by the mortgage originator, creditor, or an affiliate from the requirement that total points and fees not exceed 3% of the total new loan amount. (Thus subjects such charges to the same 3% ceiling.)

## Actions Timeline

- Sep 16, 2014: Committee on Banking, Housing, and Urban Affairs. Hearings held.
- Oct 28, 2013: Introduced in Senate
- Oct 28, 2013: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.