

S 949

Consumer Mortgage Choice Act

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Housing and Community Development

Introduced: May 14, 2013

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 14, 2013)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/949>

Sponsor

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

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

Cosponsors (2 total)

| Cosponsor | Party / State | Role | Date Joined |
|-----------------------------|---------------|------|--------------|
| Sen. Johanns, Mike [R-NE] | R - NE | | May 14, 2013 |
| Sen. Isakson, Johnny [R-GA] | R - GA | | Nov 13, 2013 |

Committee Activity

| Committee | Chamber | Activity | Date |
|---|---------|-------------|--------------|
| Banking, Housing, and Urban Affairs Committee | Senate | Referred To | May 14, 2013 |

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 S 1577 | Related bill | Sep 16, 2014: Committee on Banking, Housing, and Urban Affairs. Hearings held. |
| 113 HR 3211 | Related 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 HR 1077 | Related bill | Mar 12, 2013: Referred to the House Committee on Financial Services. |

Consumer Mortgage Choice Act - 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: (1) any compensation paid by a mortgage originator or a creditor to an individual person employed by the mortgage originator or creditor, and (2) any escrow for future payment of insurance.

Modifies the inclusion in the computation of points and fees of all compensation paid to mortgage brokers. Specifies instead all compensation paid directly by a consumer to a mortgage originator, including a mortgage originator that is also the creditor in a table-funded transaction, but not including compensation paid by a mortgage originator or a creditor to an individual employed by the mortgage originator or creditor.

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

- **May 14, 2013:** Introduced in Senate
- **May 14, 2013:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.