

113TH CONGRESS
1ST SESSION

H. R. 3529

To provide exemptions from certain mortgage, servicing, and appraisal requirements for non-profit low-income housing providers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2013

Mr. MEADOWS (for himself, Mrs. CAPITO, Mr. MURPHY of Florida, and Mr. BUTTERFIELD) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide exemptions from certain mortgage, servicing, and appraisal requirements for non-profit low-income housing providers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Habitat
5 Homeownership Act”.

6 **SEC. 2. EXEMPTIONS.**

7 (a) TRUTH IN LENDING ACT.—The Truth in Lend-
8 ing Act (15 U.S.C. 1601 et seq.) is amended—

9 (1) in section 128(f) (15 U.S.C. 1638(f))—

1 (A) in paragraph (3)—

2 (i) by striking “apply to any fixed
3 rate” and inserting the following: “apply
4 to—

5 “(A) any fixed rate”;

6 (ii) by striking the period and insert-
7 ing “; or”; and

8 (iii) by adding at the end the fol-
9 lowing:

10 “(B) any residential mortgage loan origi-
11 nated by a non-profit low-income housing pro-
12 vider.”; and

13 (B) by adding at the end the following:

14 “(4) NON-PROFIT LOW-INCOME HOUSING PRO-
15 VIDER DEFINED.—For purposes of this subsection,
16 the term ‘non-profit low-income housing provider’
17 means an organization that—

18 “(A) is exempt from taxation pursuant to
19 section 501(c)(3) of the Internal Revenue Code
20 of 1986;

21 “(B) makes residential mortgage loans—

22 “(i) for the purpose of promoting or
23 facilitating homeownership for poor or low-
24 income, disabled, or other disadvantaged
25 persons or families; and

1 “(ii) sets interest rates on such loans
2 that—

3 “(I) are lower than the bank
4 prime loan rate, as determined under
5 the Federal Reserve Statistical Re-
6 lease of selected interest rates (com-
7 monly referred to as the H.15) by the
8 Board of Governors of the Federal
9 Reserve System, for the last day of
10 the most recent weekly release of such
11 rates; or

12 “(II) are, after adjusting for in-
13 flation, no-interest loans or loans with
14 interest rates significantly below the
15 interest rates for loans for purchase of
16 single-family housing generally avail-
17 able in the market;

18 “(C) except as described under subpara-
19 graph (B), does not engage in the business of
20 a loan originator or mortgage broker;

21 “(D) conducts its activities in a manner
22 that serves public or charitable purposes;

23 “(E) receives funding and revenue and
24 charges fees in a manner that does not
25 incentivize the organization or its employees to

1 act other than in the best interests of its cli-
2 ents;

3 “(F) compensates employees in a manner
4 that does not incentivize employees to act other
5 than in the best interests of its clients; and

6 “(G) meets such other requirements as the
7 Bureau determines appropriate.”.

8 (2) in section 129C(a) (15 U.S.C. 1639c(a)), by
9 adding at the end the following:

10 “(10) EXEMPTION FOR NON-PROFIT LOW-IN-
11 COME HOUSING PROVIDERS.—This subsection shall
12 not apply to a residential mortgage loan made by a
13 non-profit low-income housing provider (as such
14 term is defined under section 128(f)(4)).”;

15 (3) in section 129E (15 U.S.C. 1638e), by add-
16 ing at the end the following:

17 “(l) EXEMPTION FOR NON-PROFIT LOW-INCOME
18 HOUSING PROVIDERS.—This section shall not apply to a
19 residential mortgage loan made by a non-profit low-income
20 housing provider (as such term is defined under section
21 128(f)(4)), or any services provided with respect to such
22 a mortgage loan.”; and

23 (4) in section 129H (15 U.S.C. 1638h), by add-
24 ing at the end the following:

1 “(g) EXEMPTION FOR NON-PROFIT LOW-INCOME
2 HOUSING PROVIDERS.—This section shall not apply to a
3 residential mortgage loan made by a non-profit low-income
4 housing provider (as such term is defined under section
5 128(f)(4)).”.

6 (b) REAL ESTATE SETTLEMENT PROCEDURES ACT
7 OF 1974.—Section 6(k) of the Real Estate Settlement
8 Procedures Act of 1974 (12 U.S.C. 2605(k)) is amended
9 by adding at the end the following:

10 “(3) EXEMPTION FOR NON-PROFIT LOW-IN-
11 COME HOUSING PROVIDERS.—This subsection and
12 subsections (l) and (m) shall not apply to the serv-
13 icing of a residential mortgage loan made by a non-
14 profit low-income housing provider (as such term is
15 defined under section 128(f)(4) of the Truth in
16 Lending Act).”.

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