

112TH CONGRESS
2D SESSION

H. R. 6467

To require a portion of closing costs to be paid by the enterprises with respect to certain refinanced mortgage loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 20, 2012

Mr. LANGEVIN (for himself, Mr. MILLER of North Carolina, Mr. CICILLINE, Ms. BONAMICI, and Mr. SIRES) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require a portion of closing costs to be paid by the enterprises with respect to certain refinanced mortgage loans, 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 “Rebuilding Equity Act
5 of 2012”.

6 **SEC. 2. REBUILDING EQUITY PROGRAM.**

7 (a) IN GENERAL.—

8 (1) VOLUNTARY PROGRAM.—The Federal Na-
9 tional Mortgage Association and the Federal Home

1 Loan Mortgage Corporation (in this Act referred to
2 as the “enterprises”) shall each establish a voluntary
3 program for borrowers described in paragraph (2),
4 under which the enterprises shall pay not more than
5 \$1,000 of the closing costs associated with applying
6 for and receiving the refinancing when the borrower
7 agrees to refinance into a fully amortizing loan with
8 a term of not longer than 20 years.

9 (2) ELIGIBLE BORROWERS.—The program re-
10 quired by paragraph (1) shall be for any borrower—

11 (A) who qualifies for the Home Affordable
12 Refinance Program carried out by the enter-
13 prises;

14 (B) whose subject property has a loan-to-
15 value ratio of not less than 105 percent; and

16 (C) who refinances from a loan with an
17 original term of 30 years to a loan with a term
18 of 20 years or less.

19 (b) DEFINITIONS.—As used in this section, the fol-
20 lowing definitions shall apply:

21 (1) LOAN-TO-VALUE RATIO.—The term “loan-
22 to-value ratio” means the ratio of the amount of the
23 primary mortgage on a property to the value of that
24 property.

1 (2) CLOSING COSTS.—The term “closing
2 costs”—

3 (A) means all reasonable and actual costs
4 charged to the borrower by a third party to the
5 refinancing transaction;

6 (B) includes—

7 (i) appraisal and inspection fees;

8 (ii) fees associated with obtaining a
9 borrower’s credit report;

10 (iii) title insurance and title examina-
11 tion costs;

12 (iv) attorneys’ fees associated with
13 closing the transaction, other than attor-
14 neys’ fees associated with disputes arising
15 out of the transaction or otherwise ancil-
16 lary to closing the transaction;

17 (v) document preparation costs, if
18 completed by a third party not controlled
19 by the lender;

20 (vi) transfer stamps, recording fees,
21 courier fees, wire transfer fees, and re-
22 conveyance fees; and

23 (vii) test and certification fees; and

24 (C) does not include any costs charged to
25 the borrower by the lender, including—

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- 1 (i) lender application fees; and
- 2 (ii) lender origination fees.

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