

112TH CONGRESS  
2D SESSION

# S. 3484

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide an exception from the definition of loan originator for certain loans made with respect to manufactured homes, to amend the Truth in Lending Act to modify the definition of a high-cost mortgage, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

AUGUST 2, 2012

Mr. BROWN of Ohio introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide an exception from the definition of loan originator for certain loans made with respect to manufactured homes, to amend the Truth in Lending Act to modify the definition of a high-cost mortgage, 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 “Preserving Access to  
5 Manufactured Housing Act”.

1 **SEC. 2. MODIFICATIONS TO DEFINITIONS.**

2 (a) LOAN ORIGINATOR DEFINITION.—Section  
3 1503(4) of the S.A.F.E. Mortgage Licensing Act of 2008  
4 (12 U.S.C. 5102(4)) is amended—

5 (1) in subparagraph (A)—

6 (A) in clause (iii), by striking “and” at the  
7 end;

8 (B) in clause (iv), by striking the period  
9 and inserting “; and”; and

10 (C) by adding at the end the following new  
11 clause:

12 “(v) does not include an individual or  
13 entity that is a seller of manufactured  
14 homes, unless such individual or entity is  
15 engaged in the business of a loan origi-  
16 nator or receives compensation or gain for  
17 engaging in activities described under  
18 clause (i) that is in excess of any com-  
19 pensation or gain received in a comparable  
20 cash transaction.”; and

21 (2) by adding at the end the following:

22 “(E) ENGAGED IN THE BUSINESS OF A  
23 LOAN ORIGINATOR.—For purposes of this para-  
24 graph, the term ‘engaged in the business of a  
25 loan originator’ means to perform loan origi-  
26 nator activities described under subparagraph

1 (A)(i) as a regular course of trade or business  
2 in exchange for compensation or gain paid sole-  
3 ly for engaging in the sale or distribution of  
4 residential mortgage loans.”.

5 (b) HIGH-COST MORTGAGE DEFINITION.—Section  
6 103 of the Truth in Lending Act (15 U.S.C. 1602) is  
7 amended—

8 (1) by redesignating subsection (aa) (relating to  
9 disclosure of greater amount or percentage), as so  
10 designated by section 1100A of Public Law 111–  
11 203, as subsection (bb);

12 (2) by redesignating subsection (bb) (relating to  
13 high-cost mortgages), as so designated by section  
14 1100A of Public Law 111–203, as subsection (aa),  
15 and moving such subsection to immediately follow  
16 subsection (z); and

17 (3) in subsection (aa)(1)(A), as so redesign-  
18 nated—

19 (A) in clause (i)(I)—

20 (i) by striking “(8.5 percentage  
21 points, if the dwelling is personal property  
22 and the transaction is for less than  
23 \$50,000)”;

24 (ii) by striking “or” at the end;

1 (B) in clause (i)(II), by adding “or” at the  
2 end;

3 (C) in clause (i), by adding at the end the  
4 following:

5 “(III) by a first mortgage on a  
6 consumer’s principal dwelling that is  
7 considered personal property (or is a  
8 consumer credit transaction that does  
9 not include the purchase of real prop-  
10 erty on which a dwelling is to be  
11 placed), the annual percentage rate at  
12 consummation of the transaction will  
13 exceed the average prime offer rate,  
14 as defined in section 129C(b)(2)(B),  
15 for a comparable transaction, by more  
16 than—

17 “(aa) 8.5 percentage points,  
18 in the case of a transaction in an  
19 amount of \$50,000 or more, but  
20 less than \$75,000 (as such  
21 amounts are adjusted by the Bu-  
22 reau to reflect the change in the  
23 Consumer Price Index);

24 “(bb) 10.5 percentage  
25 points, in the case of a trans-

1 action in an amount of more  
2 than \$30,000, but less than  
3 \$50,000 (as such amounts are  
4 adjusted by the Bureau to reflect  
5 the change in the Consumer  
6 Price Index); or

7 “(cc) 12.5 percentage  
8 points, in the case of a trans-  
9 action in an amount of \$30,000  
10 or less (as such amount is ad-  
11 justed by the Bureau to reflect  
12 the change in the Consumer  
13 Price Index), or a higher percent-  
14 age established by the Bureau  
15 not to exceed 14.5 percentage  
16 points in such cases, if the Bu-  
17 reau determines that the lower  
18 rate would restrict access to cred-  
19 it and that raising the rate would  
20 not have a detrimental impact on  
21 consumer protection.”; and

22 (D) in clause (ii)—

23 (i) in subclause (I), by striking “or”  
24 at the end; and

1                   (ii) by adding at the end the fol-  
2                   lowing:  
3                   “(III) in the case of a trans-  
4                   action for less than \$75,000 in which  
5                   the dwelling is considered personal  
6                   property (or is a consumer credit  
7                   transaction that does not include the  
8                   purchase of real property on which a  
9                   dwelling is to be placed) the greater of  
10                  5 percent of the total transaction  
11                  amount or \$3,000; or”.

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