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(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R.

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

Mr. MEADOWS introduced the following bill; which was referred to the Committee on _____

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—

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

2 (A) in paragraph (3)—

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

6 “(A) any fixed rate”;

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

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

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

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

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

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

22 “(B) makes residential mortgage loans—

23 “(i) for the purpose of promoting or
24 facilitating homeownership for poor or low-

1 income, disabled, or other disadvantaged
2 persons or families; and

3 “(ii) sets interest rates on such loans
4 that—

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

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

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

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

1 “(E) receives funding and revenue and
2 charges fees in a manner that does not
3 incentivize the organization or its employees to
4 act other than in the best interests of its cli-
5 ents;

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

9 “(G) meets such other requirements as the
10 Bureau determines appropriate.”.

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

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

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

20 “(1) EXEMPTION FOR NON-PROFIT LOW-INCOME
21 HOUSING PROVIDERS.—This section shall not apply to a
22 residential mortgage loan made by a non-profit low-income
23 housing provider (as such term is defined under section
24 128(f)(4)), or any services provided with respect to such
25 a mortgage loan.”; and

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

3 “(g) EXEMPTION FOR NON-PROFIT LOW-INCOME
4 HOUSING PROVIDERS.—This section shall not apply to a
5 residential mortgage loan made by a non-profit low-income
6 housing provider (as such term is defined under section
7 128(f)(4)).”.

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

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