

113TH CONGRESS  
1ST SESSION

# H. R. 1779

To amend the Truth in Lending Act to modify the definitions of a mortgage originator and a high-cost mortgage.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2013

Mr. FINCHER (for himself, Mr. THOMPSON of Mississippi, and Mr. GARY G. MILLER of California) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Truth in Lending Act to modify the definitions of a mortgage originator and a high-cost mortgage.

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 of 2013”.

6 **SEC. 2. MORTGAGE ORIGINATOR DEFINITION.**

7 (a) AMENDMENT TO DEFINITION.—Section 1401 of  
8 the Dodd-Frank Wall Street Reform and Consumer Pro-  
9 tection Act is amended, in paragraph (2)(C)(ii) of the  
10 matter proposed to be added to section 103 of the Truth

1 in Lending Act, by striking “an employee of a retailer of  
2 manufactured homes who is not described in clause (i) or  
3 (iii) of subparagraph (A) and who does not advise a con-  
4 sumer on loan terms (including rates, fees, and other  
5 costs)” and inserting “a retailer of manufactured or mod-  
6 ular homes or its employees unless such retailer or its em-  
7 ployees receive compensation or gain for engaging in ac-  
8 tivities described in subparagraph (A) that is in excess of  
9 any compensation or gain received in a comparable cash  
10 transaction”.

11 (b) TECHNICAL AMENDMENTS.—(1) Section 1401 of  
12 the Dodd-Frank Wall Street Reform and Consumer Pro-  
13 tection Act is amended, in the matter proposed to be  
14 added to section 103 of the Truth in Lending Act, by re-  
15 designating subsection (cc) as subsection (dd).

16 (2) Section 1431(d) of the Dodd-Frank Wall Street  
17 Reform and Consumer Protection Act is amended—

18 (A) by striking “subsection (cc)” and inserting  
19 “subsection (dd)”; and

20 (B) in the matter proposed to be added to sec-  
21 tion 103 of the Truth in Lending Act by redesign-  
22 ating subsection (dd) as subsection (ee).

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall take effect as if included in the provisions

1 of the Dodd-Frank Wall Street Reform and Consumer  
2 Protection Act to which they relate.

3 **SEC. 3. HIGH-COST MORTGAGE DEFINITION.**

4 Section 103 of the Truth in Lending Act (15 U.S.C.  
5 1602) is amended—

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

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

15 (3) in subsection (aa)(1)(A), as so redesign-  
16 nated—

17 (A) in clause (i)(I)—

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

22 (ii) by striking “or” at the end;

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

1 (C) in clause (i), by adding at the end the  
2 following:

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

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

22 “(bb) 10.5 percentage  
23 points, in the case of a trans-  
24 action in an amount of more  
25 than \$30,000, but less than

1 \$50,000 (as such amounts are  
2 adjusted by the Bureau to reflect  
3 the change in the Consumer  
4 Price Index); or

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

20 (D) in clause (ii)—

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

23 (ii) by adding at the end the fol-  
24 lowing:

1                   “(III) in the case of a trans-  
2                   action for less than \$75,000 (as such  
3                   amount is adjusted by the Bureau to  
4                   reflect the change in the Consumer  
5                   Price Index) in which the dwelling is  
6                   considered personal property (or is a  
7                   consumer credit transaction that does  
8                   not include the purchase of real prop-  
9                   erty on which a dwelling is to be  
10                  placed) the greater of 5 percent of the  
11                  total transaction amount or \$3,000  
12                  (as such amount is adjusted by the  
13                  Bureau to reflect the change in the  
14                  Consumer Price Index); or”.

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