

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

A BILL

To amend the Truth in Lending Act to modify the definitions of a mortgage originator and a high-cost mortgage.
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘Preserving Access to Manufactured Housing Act of 2013’.

SEC. 2. MORTGAGE ORIGINATOR DEFINITION.

(a) Amendment to Definition- Section 1401 of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended, in paragraph (2)(C)(ii) of the matter proposed to be added to section 103 of the Truth in Lending Act, by striking ‘an employee of a retailer of manufactured homes who is not described in clause (i) or (iii) of subparagraph (A) and who does not advise a consumer on loan terms (including rates, fees, and other costs)’ and inserting ‘a retailer of manufactured or modular homes or its employees unless such retailer or its employees receive compensation or gain for engaging in activities described in subparagraph (A) that is in excess of any compensation or gain received in a comparable cash transaction’.

(b) Technical Amendments- (1) Section 1401 of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended, in the matter proposed to be added to section 103 of the Truth in Lending Act, by redesignating subsection (cc) as subsection (dd).

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

(A) by striking ‘subsection (cc)’ and inserting ‘subsection (dd)’; and

(B) in the matter proposed to be added to section 103 of the Truth in Lending Act by redesignating subsection (dd) as subsection (ee).

(c) Effective Date- The amendments made by this section shall take effect as if included in the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act to which they relate.

SEC. 3. HIGH-COST MORTGAGE DEFINITION.

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

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

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

(3) in subsection (aa)(1)(A), as so redesignated--

(A) in clause (i)(I)--

(i) by striking ‘(8.5 percentage points, if the dwelling is personal property and the transaction is for less than \$50,000)’; and

(ii) by striking ‘or’ at the end;

(B) in clause (i)(II), by adding ‘or’ at the end;

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

‘(III) by a first mortgage on a consumer’s principal dwelling that is considered personal property (or is a consumer credit transaction that does not include the purchase of real property on which a dwelling is to be placed), the annual percentage rate at consummation of the transaction will exceed the average prime offer rate, as defined in section 129C(b)(2)(B), for a comparable transaction, by more than--

‘(aa) 8.5 percentage points, in the case of a transaction in an amount of \$50,000 or more, but less than \$75,000 (as such amounts are adjusted by the Bureau to reflect the change in the Consumer Price Index);

‘(bb) 10.5 percentage points, in the case of a transaction in an amount of more than \$30,000, but less than \$50,000 (as such amounts are adjusted by the Bureau to reflect the change in the Consumer Price Index); or

‘(cc) 12.5 percentage points, in the case of a transaction in an amount of \$30,000 or less (as such amount is adjusted by the Bureau to reflect the change in the Consumer Price Index), or a higher percentage established by the Bureau not to exceed 14.5 percentage points in such cases, if the Bureau determines that the lower rate would restrict access to credit and that raising the rate would not have a detrimental impact on consumer protection.’; and

(D) in clause (ii)--

(i) in subclause (I), by striking ‘or’ at the end; and

(ii) by adding at the end the following:

‘(III) in the case of a transaction for less than \$75,000 (as such amount is adjusted by the Bureau to reflect the change in the Consumer Price Index) in which the dwelling is considered personal property (or is a consumer credit transaction that does not include the purchase of real property on which a dwelling is to be placed) the greater of 5 percent of the total transaction amount or \$3,000 (as such amount is adjusted by the Bureau to reflect the change in the Consumer Price Index); or’.