

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Maloney OF New York, OR HER
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 3915, AS REPORTED
OFFERED BY MRS. MALONEY OF NEW YORK**

Page 66, after line 3, insert the following new paragraph (and redesignate the subsequent paragraph accordingly):

1 “(2) PHASED-OUT PENALTIES ON QUALIFIED
2 MORTGAGES.—A qualified mortgage (as defined in
3 subsection (e)) may not contain terms under which
4 a consumer must pay a prepayment penalty for pay-
5 ing all or part of the principal after the loan is con-
6 summated in excess of the following limitations:

7 “(A) During the 1-year period beginning
8 on the date the loan is consummated, the pre-
9 payment penalty shall not exceed an amount
10 equal to 3 percent of the outstanding balance
11 on the loan.

12 “(B) During the 1-year period beginning
13 after the period described in subparagraph (A),
14 the prepayment penalty shall not exceed an
15 amount equal to 2 percent of the outstanding
16 balance on the loan.

17 “(C) During the 1-year period beginning
18 after the 1-year period described in subpara-

1 graph (B), the prepayment penalty shall not ex-
2 ceed an amount equal to 1 percent of the out-
3 standing balance on the loan.

4 “(D) After the end of the 3-year period be-
5 ginning on the date the loan is consummated,
6 no prepayment penalty may be imposed on a
7 qualified mortgage.”

Page 66, after line 11, insert the following new
paragraph:

8 “(4) OPTION FOR NO PREPAYMENT PENALTY
9 REQUIRED.—A creditor may not offer a consumer a
10 residential mortgage loan product that has a prepay-
11 ment penalty for paying all or part of the principal
12 after the loan is consummated as a term of the loan
13 without offering the consumer a residential mort-
14 gage loan product that does not have a prepayment
15 penalty as a term of the loan.”