

June 23, 2010

**** House Counter-Counteroffer ****

Title: Title XIV

Matter: Mortgages

The House accepts the Senate counteroffer, dated June 22, 2010, with the following modifications:

1. **Modify Senate Counteroffer** relating to exemptions for refinancing of mortgage loans made or guaranteed by the Department of Housing and Urban Development, the Department of Veterans Affairs, the Department of Agriculture, and the Rural Housing Service to define “Qualified Mortgages.”
2. **Modify Amendment to Senate Counteroffer** regarding provision relating to mortgage fraud (Amendment ALB10616).
3. **Add provision** relating to the treatment of private mortgage insurance in points and fees calculations.
4. **Add provision** relating to limitations on forced placed insurance charges.
5. **Modify Senate Counteroffer** re-inserting House offer provision relating to the selection of appraisers.
6. **Add provisions** providing for joint rulemaking authority for appraisal independence rules.
7. **Add provision** exempting servicers providing coupon books for fixed rate loans from the periodic statement requirement.

House Proposed Amendment to Title XIV

--Insert on p. 13, line 5 of House manager's amendment, just before the semicolon:

“provided that the premium, charge or fee is required to be refundable on a pro-rated basis and the refund is automatically issued upon notification of the satisfaction of the underlying mortgage loan”

--At the end of page 1799 of base text, line 5, add the following:

“With respect to loans made, guaranteed, or insured by Federal agencies or Departments, as are identified in subsection (b)(3)(ii), such Agencies or Departments may exempt refinancings under a streamlined refinancing from this income verification requirement as long as the following conditions are met:

(A) The consumer is not 30 days or more past due on the prior existing residential mortgage loan;

(B) The refinancing does not increase the principal balance outstanding on the prior existing residential mortgage loan, except to the extent of fees and charges allowed by the Department or Administration making, guaranteeing, or insuring the refinancing;

(C) Total points and fees (as defined in section 103(aa)(4)) payable in connection with the refinancing do not exceed 3 percent of the total new loan amount;

(D) The interest rate on the refinanced loan is lower than the interest rate of the original loan, unless the borrower is refinancing from an adjustable rate to a fixed-rate loan, under guidelines that the Department or Administration shall establish for loans they make;

(E) The refinancing is subject to a payment schedule that will fully amortize the refinancing in accordance with the regulations prescribed by the Department or Administration making, guaranteeing, or insuring the refinancing;

(F) The terms of the refinancing do not result in a balloon payment as defined in subsection (b)(2)(A)(ii); and

(G) Both the residential mortgage loan being refinanced and the refinancing satisfy all requirements of the Department or Administration making, guaranteeing, or insuring the refinancing.”

--On page 1832, after line 24, insert the following:

"(3) EXCEPTION.--Paragraph (1) does not apply to any fixed rate residential mortgage loan where the creditor, assignee, or servicer provides the obligor with a coupon book that provides the obligor with substantially the same information as required in paragraph (1) as required by regulation issued by the Bureau."

--Page 1909 of base text, lines 19 through 21.

“(m) LIMITATIONS ON FORCE-PLACED INSURANCE CHARGES. All charges, apart from charges subject to state regulation as the business of insurance, related to

force-placed insurance imposed on the borrower by or through the servicer shall be bona fide and reasonable.”

--On page 22 of House manager’s amendment, strike line 16 and insert the following:

(g) RULES AND INTERPRETIVE GUIDELINES.—

“(1) IN GENERAL.—Except as provided under paragraph (2), the Board”.

--On page 1922 of base text, line 1, insert “rules,” before “interpretive guidelines”.

--On page 2 of House Offer, between lines 16 and 17, strike the instructions and insert the following:

“Page 1922, after line 8, insert the following new paragraph:”.

--On page 2 of House offer, line 17, strike “(g)” and insert “(2)” and adjust the margins accordingly.

--On page 3 of House offer, line 3, insert at the end: “Rules prescribed by the Board under this paragraph shall be deemed to be rules prescribed by the agencies jointly under paragraph (1).”.

--On Page 3 of House Offer, lines 4 through 14, insert the following:

“(h) LIMITATIONS.—Nothing in this section shall prohibit mortgage lenders, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation from accepting any appraisal report completed by an appraiser selected, retained, or compensated by a mortgage loan originator licensed or registered in accordance with section 1501 et seq. of the SAFE Mortgage Licensing Act of 2008, so long as such mortgage loan originator certifies adherence to the appraisal independence requirements of subsection (b) and any regulations prescribed thereunder.”

--Modify Amendment ALB10616 as follows:

-Line 2 strike “receive” and insert “begin receiving”

-Lines 6 and 7 strike “or any other law,”

-Line 8 after the word “transaction” insert “related to the property that is the subject of such assistance”

-Line 8 after the word “convicted” insert “within the last 10 years”

-Line 12 after the semicolon insert “or”

-Line 13, strike the semicolon and insert a period.

-Strike Lines 14 through 16 and insert “The Secretary shall establish procedures to ensure compliance with this subsection.”