

112TH CONGRESS
1ST SESSION

H. R. 2446

To clarify the treatment of homeowner warranties under current law, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 2011

Mrs. BIGGERT (for herself and Mr. CLAY) introduced the following bill; which
was referred to the Committee on Financial Services

A BILL

To clarify the treatment of homeowner warranties under
current law, 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 “RESPA Home War-
5 ranty Clarification Act of 2011”.

6 **SEC. 2. TREATMENT OF HOMEOWNER WARRANTIES.**

7 Section 8 of the Real Estate Settlement Procedures
8 Act of 1974 (12 U.S.C. 2607) is amended by adding at
9 the end the following new subsection:

10 “(e) HOMEOWNER WARRANTIES.—

1 “(1) IN GENERAL.—Nothing in this section,
2 section 2, or section 3 shall be deemed to include,
3 or be deemed to have included, homeowner warran-
4 ties or similar residential service contracts for the
5 repair or replacement of home system components or
6 home appliances.

7 “(2) NOTICE.—Any person that pays another
8 person not employed by the person for selling, adver-
9 tising, marketing, or processing, or performing an
10 inspection in connection with, a homeowner war-
11 ranty or similar residential service contract for the
12 repair or replacement of home system components or
13 home appliances shall include the following state-
14 ment, in boldface type that is 10-point or larger, in
15 any such warranty or contract offered or sold as an
16 incident to or as part of any transaction involving
17 the origination of a federally related mortgage loan:

18 “NOTICE: THIS COMPANY MAY PAY
19 PERSONS NOT EMPLOYED BY THE COM-
20 PANY FOR SELLING, ADVERTISING,
21 MARKETING, OR PROCESSING, OR PER-
22 FORMING AN INSPECTION IN CONNEC-
23 TION WITH, A HOMEOWNER WARRANTY
24 OR SIMILAR RESIDENTIAL SERVICE
25 CONTRACT FOR REPAIRING OR RE-

1 PLACING HOME SYSTEM COMPONENTS
2 OR HOME APPLIANCES.”.

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