

Union Calendar No. 251

114TH CONGRESS
1ST SESSION

H. R. 1210

[Report No. 114-330]

To amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating depository institution's portfolio, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2015

Mr. BARR (for himself, Mr. AMODEI, Mr. BLUM, Mr. DOLD, Mr. DUFFY, Mr. FINCHER, Mr. GUINTA, Mrs. HARTZLER, Mr. HILL, Mr. HULTGREN, Mr. JOYCE, Mr. KING of New York, Mr. LUCAS, Mr. LUETKEMEYER, Mr. MESSER, Mr. MULVANEY, Mr. NEUGEBAUER, Mr. RENACCI, Mr. RIBBLE, Mr. ROTHFUS, Mr. STIVERS, Mr. STUTZMAN, Mr. TIPTON, Mr. WEBER of Texas, and Mr. EMMER of Minnesota) introduced the following bill; which was referred to the Committee on Financial Services

NOVEMBER 16, 2015

Additional sponsors: Mr. MARCHANT, Mr. RICE of South Carolina, Mr. ZINKE, Mr. VALADAO, Mr. MEADOWS, Mr. MCCLINTOCK, Mr. WALBERG, Mrs. WAGNER, Mr. POLIQUIN, Mr. YOUNG of Iowa, Mr. POE of Texas, Mr. GUTHRIE, Mr. FLEISCHMANN, Mrs. BROOKS of Indiana, Mr. OLSON, Mr. RODNEY DAVIS of Illinois, Mr. CURBELO of Florida, Mr. WILSON of South Carolina, Mr. PEARCE, Mr. COLLINS of New York, Mr. JOHNSON of Ohio, Mrs. NOEM, Mr. STEWART, Mr. SESSIONS, Mr. CRAMER, Mr. ZELDIN, Mr. BABIN, Mr. GOSAR, Mr. PITTENGER, and Mr. WILLIAMS

NOVEMBER 16, 2015

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating depository institution's portfolio, 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 “Portfolio Lending and
5 Mortgage Access Act”.

6 **SEC. 2. SAFE HARBOR FOR CERTAIN LOANS HELD ON**
7 **PORTFOLIO.**

8 (a) IN GENERAL.—Section 129C of the Truth in
9 Lending Act (15 U.S.C. 1639c) is amended by adding at
10 the end the following:

11 “(j) SAFE HARBOR FOR CERTAIN LOANS HELD ON
12 PORTFOLIO.—

13 “(1) SAFE HARBOR FOR CREDITORS THAT ARE
14 DEPOSITORY INSTITUTIONS.—

15 “(A) IN GENERAL.—A creditor that is a
16 depository institution shall not be subject to
17 suit for failure to comply with subsection (a),
18 (c)(1), or (f)(2) of this section or section 129H
19 with respect to a residential mortgage loan, and
20 the banking regulators shall treat such loan as
21 a qualified mortgage, if—

22 “(i) the creditor has, since the origi-
23 nation of the loan, held the loan on the
24 balance sheet of the creditor; and

1 “(ii) all prepayment penalties with re-
2 spect to the loan comply with the limita-
3 tions described under subsection (c)(3).

4 “(B) EXCEPTION FOR CERTAIN TRANS-
5 FERS.—In the case of a depository institution
6 that transfers a loan originated by that institu-
7 tion to another depository institution by reason
8 of the bankruptcy or failure of the originating
9 depository institution or the purchase of the
10 originating depository institution, the depository
11 institution transferring such loan shall be
12 deemed to have complied with the requirement
13 under subparagraph (A)(i).

14 “(2) SAFE HARBOR FOR MORTGAGE ORIGINA-
15 TORS.—A mortgage originator shall not be subject
16 to suit for a violation of section 129B(c)(3)(B) for
17 steering a consumer to a residential mortgage loan
18 if—

19 “(A) the creditor of such loan is a depository
20 institution and has informed the mortgage
21 originator that the creditor intends to hold the
22 loan on the balance sheet of the creditor for the
23 life of the loan; and

24 “(B) the mortgage originator informs the
25 consumer that the creditor intends to hold the

1 loan on the balance sheet of the creditor for the
2 life of the loan.

3 “(3) DEFINITIONS.—For purposes of this sub-
4 section:

5 “(A) BANKING REGULATORS.—The term
6 ‘banking regulators’ means the Federal banking
7 agencies, the Bureau, and the National Credit
8 Union Administration.

9 “(B) DEPOSITORY INSTITUTION.—The
10 term ‘depository institution’ has the meaning
11 given that term under section 19(b)(1) of the
12 Federal Reserve Act (12 U.S.C. 505(b)(1)).

13 “(C) FEDERAL BANKING AGENCIES.—The
14 term ‘Federal banking agencies’ has the mean-
15 ing given that term under section 3 of the Fed-
16 eral Deposit Insurance Act.”.

17 (b) RULE OF CONSTRUCTION.—Nothing in the
18 amendment made by this Act may be construed as pre-
19 venting a balloon loan from qualifying for the safe harbor
20 provided under section 129C(j) of the Truth in Lending
21 Act if the balloon loan otherwise meets all of the require-
22 ments under such subsection (j), regardless of whether the
23 balloon loan meets the requirements described under
24 clauses (i) through (iv) of section 129C(b)(2)(E) of such
25 Act.

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