To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to modify the requirements for community financial institutions with respect to certain rules relating to mortgage loans, and for other purposes.
To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to modify the requirements for community financial institutions with respect to certain rules relating to mortgage loans, and for other purposes.
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Community Institution
Mortgage Relief Act of 2017”.

SEC. 2. COMMUNITY FINANCIAL INSTITUTION MORTGAGE

RELIEF.

(a) EXEMPTION FROM ESCROW REQUIREMENTS FOR

LOANS HELD BY SMALLER CREDITORS.—Section 129D

of the Truth in Lending Act (15 U.S.C. 1639d) is amend-
ed—

(1) by adding at the end the following:

“(k) SAFE HARBOR FOR LOANS HELD BY SMALLER

CREDITORS.—

“(1) IN GENERAL.—A creditor shall not be in

violation of subsection (a) with respect to a loan if—

“(A) the creditor has consolidated assets of

$25,000,000,000 or less; and

“(B) the creditor holds the loan on the bal-

ance sheet of the creditor for the 3-year period

beginning on the date of the origination of the

loan.

“(2) EXCEPTION FOR CERTAIN TRANSFERS.—

In the case of a creditor that transfers a loan to an-
other person by reason of the bankruptcy or failure
of the creditor, the purchase of the creditor, or a supervisory act or recommendation from a State or Federal regulator, the creditor shall be deemed to have complied with the requirement under paragraph (1)(B).”; and

(2) by striking the term “Board” each place such term appears and inserting “Bureau”.

(b) MODIFICATION TO EXEMPTION FOR SMALL SERVICERS OF MORTGAGE LOANS.—Section 6 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605) is amended by adding at the end the following:

“(n) SMALL SERVICER EXEMPTION.—The Bureau shall, by regulation, provide exemptions to, or adjustments for, the provisions of this section for a servicer that annually services 30,000 or fewer mortgage loans, in order to reduce regulatory burdens while appropriately balancing consumer protections.”.
A BILL

[HR 3971]

115TH CONGRESS

H. R. 3971

Union Calendar No. 319

To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to modify the requirements for community financial institutions with respect to certain rules relating to mortgage loans, and for other purposes.

NOVEMBER 30, 2017

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

[Report No. 115-432]