

118TH CONGRESS
2D SESSION

H. R. 10498

To amend the National Housing Act to restrict the collection of annual mortgage insurance premiums when a 78 percent loan-to value ratio is reached, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2024

Mr. MEEKS (for himself and Mr. SESSIONS) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To amend the National Housing Act to restrict the collection of annual mortgage insurance premiums when a 78 percent loan-to value ratio is reached, 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 “The Mortgage Insur-
5 ance Freedom Act”.

1 **SEC. 2. RESTRICTION OF COLLECTION OF ANNUAL MORT-**
2 **GAGE INSURANCE PREMIUMS.**

3 (a) IN GENERAL.—Section 203(c)(2) of the National
4 Housing Act (12 U.S.C. 1709(c)(2)) is amended—

5 (1) in subparagraph (B)—

6 (A) in clause (i), by striking “For any”
7 and inserting “Subject to subparagraph (D),
8 for any”; and

9 (B) in clause (ii), by striking “For any”
10 and inserting “Subject to subparagraph (D),
11 for any”;

12 (2) in subparagraph (C)(i), by striking “In ad-
13 dition” and inserting “Subject to subparagraph (D),
14 in addition”; and

15 (3) by adding at the end the following:

16 “(D) RESTRICTION ON ANNUAL PREMIUM
17 COLLECTION.—

18 “(i) IN GENERAL.—The Secretary
19 may not collect any annual premiums
20 under this paragraph with respect to a
21 mortgage at any time that the remaining
22 insured principal balance (excluding the
23 portion of the remaining balance attrib-
24 utable to the premium collected under sub-
25 paragraph (A)) is 78 percent or less than
26 the lower of—

1 “(I) the sales price of the dwell-
2 ing at the sale in connection with
3 which the mortgage was made, or

4 “(II) the appraised value of the
5 dwelling at the time of the origination
6 of the mortgage.

7 “(ii) EXCEPTION.—Clause (i) shall
8 not apply during any period in which Mu-
9 tual Mortgage Insurance Fund has a cap-
10 ital ratio below 2 percent.

11 “(iii) RULEMAKING.—The Secretary
12 shall, not later than 180 days after the en-
13 actment of this subparagraph, issue such
14 rules to carry out this subparagraph and
15 such rules shall include a process for mort-
16 gagors of mortgages insured under this
17 title to use to demonstrate to the Secretary
18 that the insured principal balance of the
19 mortgage of such mortgagor is 78 percent
20 or less than the lower of—

21 “(I) the sales price of the dwell-
22 ing at the sale in connection with
23 which the mortgage was made, or

1 “(II) the appraised value of the
2 dwelling at the time of the origination
3 of the mortgage.

4 “(iv) OUTREACH AND EDUCATION.—
5 The Secretary shall conduct outreach and
6 educational activities to inform mortgagors
7 of mortgages insured under this title
8 about—

9 “(I) the restriction on premium
10 collection imposed by clause (i); and

11 “(II) and the processes the mort-
12 gator may use to demonstrate to the
13 Secretary that the insured principal
14 balance of the mortgage of such mort-
15 gator is 78 percent or less than the
16 lower of—

17 “(aa) the sales price of the
18 dwelling at the sale in connection
19 with which the mortgage was
20 made, or

21 “(bb) the appraised value of
22 the dwelling at the time of the
23 origination of the mortgage”.

24 (b) APPLICABILITY.—The amendments made by sub-
25 section (a) shall apply with respect only to mortgages en-

1 dored for insurance by the Secretary of Housing and
2 Urban Development after the date of the enactment of this
3 Act.

