

105TH CONGRESS  
2D SESSION

# H. R. 4435

To amend the Homeowners Protection Act of 1998 to increase consumer protections relating to cancellation of private mortgage insurance.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1998

Mr. LAFALCE introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To amend the Homeowners Protection Act of 1998 to increase consumer protections relating to cancellation of private mortgage insurance.

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 “Private Mortgage In-  
5       surance Cancellation Simplification Act of 1998”.

6       **SEC. 2. APPLICABILITY TO HIGH-RISK LOANS.**

7       (a) IN GENERAL.—Section 3 of the Homeowners  
8       Protection Act of 1998 (Public Law 105–216) is amended  
9       by striking subsection (f).

1 (b) CONFORMING AMENDMENTS.—Section 4(a) of  
2 the Homeowners Protection Act of 1998 (Public Law  
3 105–216) is amended—

4 (1) in paragraph (1)—

5 (A) in the matter preceding subparagraph  
6 (A), by striking “(other than a mortgage or  
7 mortgage transaction described in section  
8 3(f)(1))”;

9 (B) in subparagraph (A)(ii)—

10 (i) in subclause (II), by inserting  
11 “and” after the semicolon at the end; and

12 (ii) by striking subclause (IV); and

13 (C) in subparagraph (B)—

14 (i) in clause (i), by inserting “and”  
15 after the semicolon at the end;

16 (ii) in clause (ii), by striking “; and”  
17 and inserting a period; and

18 (iii) by striking clause (iii);

19 (2) by striking paragraph (2);

20 (3) in paragraph (4), by striking “through (3)”  
21 and inserting “and (2)”; and

22 (4) by redesignating paragraphs (3) and (4), as  
23 so amended, as paragraphs (2) and (3), respectively.

1 **SEC. 3. PROTECTION OF STATE LAWS.**

2 Section 9 of the Homeowners Protection Act of 1998  
3 (Public Law 105–216) is amended by striking subsection  
4 (a) and inserting the following new subsection:

5 “(a) EFFECT ON STATE LAW.—

6 “(1) IN GENERAL.—This Act does not annul,  
7 alter, or affect, or exempt any person subject to the  
8 provisions of this Act from complying with, the laws  
9 of any State regarding any requirements relating to  
10 private mortgage insurance in connection with resi-  
11 dential mortgage transactions, except to the extent  
12 that such State laws are inconsistent with any provi-  
13 sion of this Act, and then only to the extent of the  
14 inconsistency.

15 “(2) INCONSISTENCIES.—A State law shall not  
16 be considered to be inconsistent with a provision of  
17 this Act if the State law—

18 “(A) requires termination of private mort-  
19 gage insurance or other mortgage guaranty in-  
20 surance—

21 “(i) at a date earlier than as provided  
22 in this Act; or

23 “(ii) when a mortgage principal bal-  
24 ance is achieved that is higher than as pro-  
25 vided in this Act;

26 “(B) requires disclosure of information—

1                   “(i) that provides more information  
2                   than the information required by this Act;  
3                   or  
4                   “(ii) more often or at a date earlier  
5                   than is required by this Act; or  
6                   “(C) otherwise provides greater protection  
7                   for the private mortgage insurance consumer.”.

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