

105TH CONGRESS
1ST SESSION

H. R. 460

To amend the Housing Act of 1949 to provide for private servicing of rural housing loans made under section 502 of such Act.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1997

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

A BILL

To amend the Housing Act of 1949 to provide for private servicing of rural housing loans made under section 502 of such Act.

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 “Rural Housing Loan
5 Servicing Privatization Act”.

6 **SEC. 2. REQUIREMENT TO TRANSFER SERVICING OF SEC-**
7 **TION 502 LOANS.**

8 Section 502 of the Housing Act of 1949 (42 U.S.C.
9 1473) is amended by adding at the end the following new
10 subsection:

1 “(i) TRANSFER OF LOAN SERVICING.—The Secretary
2 shall enter into contracts under section 510(k) providing
3 for the servicing of all loans made by the Secretary under
4 this section, to the extent entities qualified and experi-
5 enced in conducting loan servicing for residential mort-
6 gage loans are available and agree to enter into such con-
7 tracts.”.

8 **SEC. 3. ADMINISTRATIVE PROVISIONS.**

9 Section 510 of the Housing Act of 1949 (42 U.S.C.
10 1480) is amended—

11 (1) in subsection (j), by striking “and” at the
12 end;

13 (2) by redesignating subsection (k) as sub-
14 section (l); and

15 (3) by inserting after subsection (j) the follow-
16 ing new subsection:

17 “(k) enter into contracts (having such provi-
18 sions as the Secretary considers appropriate) with
19 entities qualified and experienced in conducting loan
20 servicing for residential mortgage loans to conduct
21 the servicing for loans made by the Secretary under
22 this title, which shall provide for such entities to re-
23 ceive scheduled periodic payments from borrowers
24 pursuant to the terms of loans, including amounts
25 for any escrow accounts, and making payments of

1 principal and interest and such other payments with
2 respect to the amounts received from borrowers as
3 may be required pursuant to the terms of loans and
4 may provide for such entities to retain a fee for serv-
5 icing from loan payment amounts received; and”.

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