

106TH CONGRESS
2D SESSION

H. R. 3834

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 20, 2000

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend the rural housing loan guarantee program under section 502(h) of the Housing Act of 1949 to provide loan guarantees for loans made to refinance existing mortgage loans guaranteed under such section.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Homeowners Financ-
3 ing Protection Act”.

4 **SEC. 2. GUARANTEES FOR REFINANCING LOANS.**

5 Section 502(h) of the Housing Act of 1949 (42
6 U.S.C. 1472(h)) is amended by adding at the end the fol-
7 lowing new paragraph:

8 “(13) GUARANTEES FOR REFINANCING
9 LOANS.—Upon the request of the borrower, the Sec-
10 retary shall, to the extent provided in appropriation
11 Acts, guarantee a loan that is made to refinance an
12 existing loan that is made under this section or
13 guaranteed under this subsection, and that the Sec-
14 retary determines complies with the following re-
15 quirements:

16 “(A) INTEREST RATE.—The refinancing
17 loan shall have a rate of interest that is fixed
18 over the term of the loan and does not exceed
19 the interest rate of the loan being refinanced.

20 “(B) SECURITY.—The refinancing loan
21 shall be secured by the same single-family resi-
22 dence as was the loan being refinanced, which
23 shall be owned by the borrower and occupied by
24 the borrower as the principal residence of the
25 borrower.

1 “(C) AMOUNT.—The principal obligation
2 under the refinancing loan shall not exceed an
3 amount equal to the sum of the balance of the
4 loan being refinanced and such closing costs as
5 may be authorized by the Secretary, which shall
6 include a discount not exceeding 2 basis points
7 and an origination fee not exceeding such
8 amount as the Secretary shall prescribe.

9 The provisions of the last sentence of paragraph (1)
10 and paragraphs (2), (5), (6)(A), (7), and (9) shall
11 apply to loans guaranteed under this subsection, and
12 no other provisions of paragraphs (1) through (12)
13 shall apply to such loans.”.

Passed the House of Representatives September 19,
2000.

Attest:

JEFF TRANDAHL,
Clerk.