

110TH CONGRESS
1ST SESSION

H. R. 4019

To amend the Truth in Lending Act to enhance disclosure of the terms
of home mortgage loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 2007

Mr. BACA introduced the following bill; which was referred to the Committee
on Financial Services

A BILL

To amend the Truth in Lending Act to enhance disclosure
of the terms of home mortgage loans, 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 “Mortgage Disclosure
5 Improvement Act of 2007”.

6 **SEC. 2. ENHANCED MORTGAGE LOAN DISCLOSURES.**

7 Section 128(b)(2) of the Truth in Lending Act (15
8 U.S.C. 1638(b)(2)) is amended—

9 (1) by striking “(2) In the” and inserting “(2)

10 MORTGAGE DISCLOSURES.—

1 “(A) IN GENERAL.—In the”;

2 (2) by striking “a residential mortgage trans-
3 action, as defined in section 103(w)” and inserting
4 “any extension of credit that is secured by the dwell-
5 ing of a consumer”;

6 (3) by striking “shall be made in accordance”
7 and all that follows through “extended, or”;

8 (4) by striking “If the” and all that follows
9 through the end of the paragraph and inserting the
10 following new subparagraphs:

11 “(B) STATEMENT AND TIMING OF DISCLO-
12 SURES.—In the case of an extension of credit
13 that is secured by the dwelling of a consumer,
14 in addition to the other disclosures required by
15 subsection (a), the disclosures provided under
16 this paragraph shall—

17 “(i) state in conspicuous type size and
18 format, the following: ‘You are not re-
19 quired to complete this agreement merely
20 because you have received these disclosures
21 or signed a loan application.’; and

22 “(ii) be furnished to the borrower not
23 later than 7 business days before the date
24 of consummation of the transaction, and at

1 the time of consummation of the trans-
2 action, subject to subparagraph (D).

3 “(C) VARIABLE RATES OR PAYMENT
4 SCHEDULES.—In the case of an extension of
5 credit that is secured by the dwelling of a con-
6 sumer, under which the annual rate of interest
7 is variable, or with respect to which the regular
8 payments may otherwise be variable, in addition
9 to the other disclosures required by subsection
10 (a), the disclosures provided under this para-
11 graph shall—

12 “(i) label the payment schedule as fol-
13 lows: ‘Payment Schedule: Payments Will
14 Vary Based on Interest Rate Changes’;
15 and

16 “(ii) state the maximum amount of
17 the regular required payments on the loan,
18 based on the maximum interest rate al-
19 lowed, introduced with the following lan-
20 guage in conspicuous type size and format:
21 ‘Your payment can go as high as _____
22 ’, the blank to be filled in with the max-
23 imum possible payment amount.

24 “(D) UPDATING APR.—In any case in
25 which the disclosure statement provided 7 busi-

1 ness days before the date of consummation of
 2 the transaction contains an annual percentage
 3 rate of interest that is no longer accurate, as
 4 determined under section 107(c), the creditor
 5 shall furnish an additional, corrected statement
 6 to the borrower, not later than 3 business days
 7 before the date of consummation of the trans-
 8 action.”.

9 **SEC. 3. CIVIL LIABILITY.**

10 Section 130(a) of the Truth in Lending Act (15
 11 U.S.C. 1640(a)) is amended—

12 (1) in paragraph (2)(A)(iii), by striking “not
 13 less than \$200 or greater than \$2,000” and insert-
 14 ing “\$5,000, such amount to be adjusted annually
 15 based on the consumer price index, to maintain cur-
 16 rent value”; and

17 (2) in the penultimate sentence of the undesig-
 18 nated matter following paragraph (4)—

19 (A) by striking “only for” and inserting
 20 “for”;

21 (B) by striking “section 125 or” and in-
 22 serting “section 122, section 125,”;

23 (C) by inserting “or section 128(b),” after
 24 “128(a),”; and

- 1 (D) by inserting “or section 128(b)” before
- 2 the period.

