

110TH CONGRESS
1ST SESSION

S. 2153

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

IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2007

Mr. REED introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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 inserting “(A)” before “In the”;

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

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

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

10 “(B) In the case of an extension of credit that
11 is secured by the dwelling of a consumer, in addition
12 to the other disclosures required by subsection (a),
13 the disclosures provided under this paragraph
14 shall—

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

20 “(ii) be furnished to the borrower not later
21 than 7 business days before the date of con-
22 summation of the transaction, and at the time
23 of consummation of the transaction, subject to
24 subparagraph (D).

1 “(C) In the case of an extension of credit that
2 is secured by the dwelling of a consumer, under
3 which the annual rate of interest is variable, or with
4 respect to which the regular payments may other-
5 wise be variable, in addition to the other disclosures
6 required by subsection (a), the disclosures provided
7 under this paragraph shall—

8 “(i) label the payment schedule as follows:

9 ‘Payment Schedule: Payments Will Vary Based
10 on Interest Rate Changes’; and

11 “(ii) state the maximum amount of the
12 regular required payments on the loan, based
13 on the maximum interest rate allowed, intro-
14 duced with the following language in con-
15 spicuous type size and format: ‘Your payment
16 can go as high as _____’, the blank to be
17 filled in with the maximum possible payment
18 amount.

19 “(D) In any case in which the disclosure state-
20 ment provided 7 business days before the date of
21 consummation of the transaction contains an annual
22 percentage rate of interest that is no longer accu-
23 rate, as determined under section 107(c), the cred-
24 itor shall furnish an additional, corrected statement

1 **SEC. 3. CIVIL LIABILITY.**

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

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

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

11 (A) by striking “only for” and inserting
12 “for”;

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

15 (C) by inserting “or section 128(b),” after
16 “128(a),”; and

17 (D) by inserting “or section 128(b)” before
18 the period.

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