

111TH CONGRESS
2D SESSION

H. R. 4854

To require that any home inspection conducted in connection with a purchase of residential real property that involves a federally related mortgage loan be conducted by a State-licensed or State-certified home inspector to determine the existence of structural, mechanical, and electrical safety defects, and to require inclusion in the standard HUD–1 settlement statement of information regarding any home inspection conducted in connection with settlement.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2010

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

A BILL

To require that any home inspection conducted in connection with a purchase of residential real property that involves a federally related mortgage loan be conducted by a State-licensed or State-certified home inspector to determine the existence of structural, mechanical, and electrical safety defects, and to require inclusion in the standard HUD–1 settlement statement of information regarding any home inspection conducted in connection with settlement.

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 “Home Inspection Act
3 of 2010”.

4 **SEC. 2. HOME INSPECTION REQUIREMENT.**

5 (a) **REQUIREMENT.**—The Federal banking agencies
6 (as such term is defined in section 103(cc) of the Truth
7 in Lending Act (15 U.S.C. 1602(cc))), in consultation
8 with the Secretary of Housing and Urban Development,
9 the Federal Trade Commission, and any Federal agency
10 or commission established by law to regulate the provision
11 of consumer financial products or services, shall jointly
12 prescribe regulations to prohibit any lender from making
13 any federally related mortgage loan (as such term is de-
14 fined in section 3 of the Real Estate Settlement Proce-
15 dures Act of 1974 (12 U.S.C. 2602)) under which a home
16 inspection is conducted in connection with settlement of
17 the mortgage loan unless such inspection is conducted by
18 a home inspector who is licensed, certified, approved, or
19 otherwise regulated by the home State of the inspector or
20 the State in which the real property is located.

21 (b) **ENFORCEMENT.**—Compliance with the require-
22 ments imposed pursuant to subsection (a) of this section
23 shall be enforced in the same manner as provided under
24 section 108 of the Truth in Lending Act (15 U.S.C. 1607)
25 for enforcement of the requirements under such Act.

1 **SEC. 3. INCLUSION OF HOME INSPECTION INFORMATION IN**
2 **HUD-1 SETTLEMENT FORM.**

3 (a) IN GENERAL.—Subsection (a) of section 4 of the
4 Real Estate Settlement Procedures Act of 1974 (12
5 U.S.C. 2603(a)) is amended—

6 (1) by inserting “(1)” after “(a)”; and

7 (2) by adding at the end the following new
8 paragraph:

9 “(2) The Secretary shall include in the standard form
10 an item for identifying any home inspection conducted in
11 connection with the settlement, when such inspection was
12 or is to be completed, the cost of the inspection, whether
13 the charge for such inspection is imposed on the borrower
14 or the seller, and whether such charge has been paid be-
15 fore settlement and a copy of the receipt of payment for
16 the inspection is included with the settlement documents.
17 Such item shall be included in the form at the place where
18 items relating to additional settlement charges (such as
19 pest inspection charges) are located.”.

20 (b) REGULATIONS.—Not later than the expiration of
21 the [—]-day period beginning on the date of the enact-
22 ment of this Act, the Secretary of Housing and Urban
23 Development shall issue regulations implementing the
24 amendments made by subsection (a) and revising the
25 standard real estate settlement form required under sec-

1 tion 4 of the Real Estate Settlement Procedures Act of
2 1974 in accordance with such amendments.

○