

111TH CONGRESS
2D SESSION

S. 3106

To authorize States to exempt certain nonprofit housing organizations from the licensing requirements of the S.A.F.E. Mortgage Licensing Act of 2008.

IN THE SENATE OF THE UNITED STATES

MARCH 11, 2010

Mrs. HAGAN (for herself, Mr. BURR, Mr. ISAKSON, Mr. MERKLEY, and Mr. CHAMBLISS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To authorize States to exempt certain nonprofit housing organizations from the licensing requirements of the S.A.F.E. Mortgage Licensing Act of 2008.

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 “Nonprofit Mortgage
5 Licensing Clarification Act of 2010”.

6 **SEC. 2. EXEMPTION OF NONPROFIT HOUSING ORGANIZA-**
7 **TIONS.**

8 Section 1504 of the S.A.F.E. Mortgage Licensing Act
9 of 2008 (12 U.S.C. 5103) is amended—

1 (1) in subsection (a), by inserting before the
 2 first comma the following: “and to subsection (c)”;
 3 and

4 (2) by adding at the end the following new sub-
 5 section:

6 “(c) AUTHORITY FOR STATES TO EXEMPT NON-
 7 PROFIT HOUSING ORGANIZATIONS.—A State may, by
 8 State law, exempt from the requirement under subsection
 9 (a)(1) (relating to registration or licensing) organizations
 10 that are exempt from taxation pursuant to section
 11 501(c)(3) of the Internal Revenue Code of 1986, and any
 12 employees and agents of such organizations acting as loan
 13 originators for such organizations, but only to the extent
 14 that such an organization—

15 “(1) engages in the business of a loan origi-
 16 nator for the purpose of promoting or facilitating
 17 homeownership for poor or low-income, disabled, or
 18 other disadvantaged persons or families, and in origi-
 19 nating such loans offers loans—

20 “(A) at interest rates that are lower than
 21 the bank prime loan rate, as determined under
 22 the Federal Reserve Statistical Release of se-
 23 lected interest rates (commonly referred to as
 24 the H.15) by the Board of Governors of the

1 Federal Reserve System, for the last day of the
2 most recent weekly release of such rates; or

3 “(B) that are, after adjusting for inflation,
4 no-interest loans or loans with interest rates
5 significantly below the interest rates for loans
6 for purchase of single-family housing generally
7 available in the market; and

8 “(2) does not otherwise engage in the business
9 of a loan originator or mortgage broker.”.

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