

112TH CONGRESS
2D SESSION

H. R. 4076

To amend the Truth in Lending Act to add a rule of construction relating to certain payments to an employee of a mortgage originator.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 17, 2012

Mr. FRANK of Massachusetts introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to add a rule of construction relating to certain payments to an employee of a mortgage originator.

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. RULE OF CONSTRUCTION.**

4 Section 129B(c)(4) of the Truth in Lending Act is
5 amended—

6 (1) in subparagraph (C), by striking “or” at
7 the end;

8 (2) in subparagraph (D), by striking the period
9 and inserting “; or”; and

1 (3) by adding at the end the following new sub-
2 paragraph:

3 “(E) prohibiting a creditor or mortgage
4 originator from reducing compensation to an
5 employee mortgage originator if, after an initial
6 annual percentage rate (‘APR’) offer has been
7 disclosed to a consumer by the employee mort-
8 gage originator, such employee mortgage origi-
9 nator makes a subsequent offer to the consumer
10 that—

11 “(i) consists only of a reduction in the
12 APR from the initial disclosed APR; and

13 “(ii) is made in response to a lower
14 APR offer disclosed to the consumer by
15 another creditor or mortgage originator.”.

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