

112TH CONGRESS
2D SESSION

H. R. 4323

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2012

Mr. HUIZENGA of Michigan (for himself, Mr. ROYCE, Mr. CLAY, and Mr. DAVID SCOTT of Georgia) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

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 “Consumer Mortgage
5 Choice Act”.

6 **SEC. 2. DEFINITION OF POINTS AND FEES.**

7 (a) AMENDMENT TO SECTION 103 OF TILA.—Sec-
8 tion 103(bb)(4) of the Truth in Lending Act (15 U.S.C.
9 1602(bb)(4)) is amended—

1 (1) in subparagraph (B), by inserting “, but
2 not including compensation paid by a mortgage
3 originator or a creditor to an individual person em-
4 ployed by the mortgage originator or creditor” after
5 “transaction”; and

6 (2) in subparagraph (C)—

7 (A) by striking “an escrow for future pay-
8 ment of taxes” and inserting “the charges set
9 forth under section 106(e)(3)”;

10 (B) in clause (ii), by inserting “, except as
11 retained by a creditor or its affiliate as a result
12 of their participation in an affiliated business
13 arrangement (as defined in section 2(7) of the
14 Real Estate Settlement Procedures Act of 1974
15 (12 U.S.C. 2602(7))” after “compensation”;
16 and

17 (C) by striking clause (iii) and inserting
18 the following:

19 “(iii) the charge is—

20 “(I) a bona fide third-party
21 charge not retained by the mortgage
22 originator, creditor, or an affiliate of
23 the creditor or mortgage originator; or

24 “(II) a charge set forth in section
25 106(e)(1).”.

1 (b) AMENDMENT TO SECTION 129C OF TILA.—Sec-
2 tion 129C of the Truth in Lending Act (15 U.S.C. 1639c)
3 is amended—

4 (1) in subsection (a)(5)(C), by striking “,
5 other” and all that follows through “or mortgage
6 originator”; and

7 (2) in subsection (b)(2)(C)(i), by striking
8 “(other” and all that follows through “or mortgage
9 originator)”.

○