II

113TH CONGRESS
2D SESSION

H. R. 3211

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2014

Received

AN ACT

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Mortgage Choice Act of 2014''.

SEC. 2. DEFINITION OF POINTS AND FEES.

(a) AMENDMENT TO SECTION 103 OF TILA.—Section 103(bb)(4) of the Truth in Lending Act (15 U.S.C. 1602(bb)(4)) is amended—

(1) by striking ''paragraph (1)(B)'' and inserting ''paragraph (1)(A) and section 129C'';

(2) in subparagraph (C)—

(A) by inserting ''and insurance'' after ''taxes'';

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

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

''(iii) the charge is—

''(I) a bona fide third-party charge not retained by the mortgage originator, creditor, or an affiliate of the creditor or mortgage originator; or

"(II) a charge set forth in section 106(e)(1);"; and

(3) in subparagraph (D)—

(A) by striking "accident,"; and

(B) by striking "or any payments" and inserting "and any payments".

(b) AMENDMENT TO SECTION 129C OF TILA.—Section 129C of the Truth in Lending Act (15 U.S.C. 1639c) is amended—

(1) in subsection (a)(5)(C), by striking "103" and all that follows through "or mortgage originator" and inserting "103(bb)(4)"; and

(2) in subsection (b)(2)(C)(i), by striking "103" and all that follows through "or mortgage originator)" and inserting "103(bb)(4)".

SEC. 3. RULEMAKING.

Not later than the end of the 90-day period beginning on the date of the enactment of this Act, the Bureau of Consumer Financial Protection shall issue final regulations to carry out the amendments made by this Act, and such regulations shall be effective upon issuance.

Passed the House of Representatives June 9, 2014.

Attest: KAREN L. HAAS,

Clerk.